

# City Pension Fund for Firefighters and Police Officers in the City of Miami Beach

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***Actuarial Valuation Report  
as of October 1, 2011***

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September 19, 2012

Board of Trustees  
City Pension Fund for Firefighters and Police Officers  
in the City of Miami Beach  
1691 Michigan Avenue, Suite 355  
Miami Beach, FL 33139-2557

Dear Members of the Board:

This report presents the results of the October 1, 2011 actuarial valuation of the City Pension Fund for Firefighters and Police Officers in the City of Miami Beach. This valuation will be used to determine the contributions for the City's fiscal year beginning October 1, 2012.

#### **Plan Amendments and Other Changes Affecting the Financial Status of the Fund**

The assumptions used in the valuation are outlined in Table XI. Provisions of the plan are set forth in Table XII. The valuation assumptions were updated as of October 1, 2011 and reflect changes to the discount rate, the mortality assumption, the load for pensionable pay and the assumed DROP participation. The plan ordinance was updated to reflect changes to the provisions for service buybacks, pensionable pay, cost of living adjustments, DROP provisions for members entering the DROP after September 1, 2012 and new hires after July 14, 2010,

#### **Summary of Valuation Results**

The City contribution requirement for the fiscal year beginning October 1, 2012 is summarized below, payable at October 1, 2012.

Required City contribution for plan year beginning 10/1/2012	\$39,371,501
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The City's contribution increased from \$36,175,910 for the 2011/2012 fiscal year to \$39,371,501 for the 2012/2013 fiscal year. The increase in the contribution requirement is due primarily to the following factors: (1) asset losses (Actuarial Value of Assets AVA return of 2.57% vs. expected return of 8.20%), (2) reduction of the discount rate by 10 b.p. to 8.10% and (3) switch to projected mortality table.

In addition to the City Contributions, there are expected member contributions of \$4,918,672 and contributions from the Share Plans of \$120,549 to fund the ten year certain and life form of benefit payment.

The City contribution requirements presented above for the 2012/2013 fiscal year reflect an annual payment at the beginning of the fiscal year, which is our understanding of the City's payment schedule. Below we present a breakdown of the interest adjustment to reflect the annual payment for the period October 1, 2012 through September 30, 2013 with the payment due on October 1, 2012.

Normal Cost at October 1, 2011	\$16,275,108
Payment to Amortize Unfunded Liability at October 1, 2011	<u>\$21,260,501</u>
Total	\$37,535,609
Interest at 8.10% per year to October 1, 2012	\$ 3,040,384
Interest adjustment for bi-weekly payment of Expected Member Contributions	<u>\$ 186,384</u>
Preliminary Minimum Required Contribution	\$40,762,377
Estimated Service Buybacks at October 1, 2012	\$ 2,951,204
Estimated Administrative Expenses at October 1, 2012	<u>\$ 697,141</u>
Total Minimum Required Contribution payable October 1, 2012	\$44,410,722
Expected Member Contributions	\$ (4,918,672)
Expected Share Plan Contributions	<u>\$ (120,549)</u>
Estimated City Contribution payable on October 1, 2012	<b>\$39,371,501</b>

### **GASB 25/27 Information**

Governmental Accounting Standards Board Statement Nos. 25 and 27 (GASB 25/27) require the disclosure of certain information. GASB 25 requires disclosure of funding progress and GASB 27 requires the calculation of the net pension obligation and annual pension cost. Results for the 2010/2011 and 2011/2012 fiscal years are shown in Table III.

### **Contents of the Report**

A summary of the results of the valuation is presented in Table I. Information for the auditors can be found in Tables III and IV. Information required by the State of Florida to be disclosed under Chapter 112 is presented in Tables V and Va. Finally, Tables VI through VIII provide information about the fund's assets, while Tables IX through IXj provide information about the membership data. Table X is the Historical Contribution Rates.



Board of Trustees  
September 19, 2012

### **Certification**

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate and, in our opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

In addition, we certify that we have experience in performing actuarial valuations for public sector retirement systems, that the valuation was prepared in accordance with the standards of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the Pension Fund and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the Fund.

The first signatory below is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Very truly yours,



Kerry Schmidt, FSA, MAAA  
Principal  
Enrollment No. 11-2628



David P. Campbell  
Consultant

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# SUMMARY OF VALUATION RESULTS

# TABLE I

	As of October 1, 2010	As of October 1, 2011
<b>1. Number of Members</b>		
a. Active Members	468	457
b. Deferred Vested Members	13	15
c. Retired Members:		
i. Non-disabled(excluding DROP)	417	432
ii. DROP	67	66
iii. Disabled	59	56
iv. Beneficiaries	88	90
v. Sub-total	631	644
d. Total Members	1,112	1,116
<b>2. Total Annual Compensation <sup>1</sup></b>		
a. Base Pay at Valuation Date	\$40,031,374	\$39,602,838
b. Projected Payroll (Base Pay) EOY	\$41,432,472	\$40,988,937
c. Projected Payroll (Pensionable Pay) EOY	\$49,718,966	\$49,186,724
d. Projected Payroll (Pensionable Pay plus DROP) EOY <sup>2</sup>	\$59,432,510	\$58,601,437
<b>3. Total Retired Member Benefits</b>	\$44,077,310	\$46,925,174
<b>4. Annual Minimum Required Contribution</b>		
a. Present Value of Future Benefits	\$957,920,053	\$1,013,221,135
b. Present Value of Future Normal Cost	\$140,279,140	\$142,102,506
<i>City Portion</i>	\$93,122,711	\$94,272,169
<i>Member Portion</i>	\$47,156,429	\$47,830,337
c. Actuarial Accrued Liability (AAL)	\$817,640,913	\$871,118,629
d. Actuarial Value of Assets	(\$525,709,407)	(\$531,821,181)
e. Unfunded AAL (UAAL)	\$291,931,506	\$339,297,448
f. BOY Normal Cost at Valuation Date	\$16,106,381	\$16,275,108
g. BOY Payment to Amortize Unfunded Liability	\$18,456,844	\$21,260,501
h. Interest Adjustment	\$3,024,852	\$3,226,768
i. Expected Service Buyback	\$2,983,138	\$2,951,204
j. Expected Administrative Expenses	\$697,141	\$697,141
k. EOY Total Minimum Required Contribution	\$41,268,356	\$44,410,722
l. Expected Member Contributions	\$4,971,897	\$4,918,672
m. Expected Share Plans Contributions	\$120,549	\$120,549
n. EOY Estimated City Contributions	\$36,175,910	\$39,371,501
o. EOY Total Minimum Required Contribution	\$41,268,356	\$44,410,722

<sup>1</sup> Description of Total Annual Compensation provided on page 5.

<sup>2</sup> Not used to generate valuation liabilities. Shown for comparison purposes only.

**SUMMARY OF VALUATION RESULTS****TABLE I**  
**(continued)**

	<b>As of</b> <b>October 1, 2010</b>	<b>As of</b> <b>October 1, 2011</b>
<b>5. Annual Cost (as a % of Projected Pensionable Pay, and Projected Pensionable Pay plus DROP)</b>		
a. Total Required Contribution (4o./2c.)	83.00%	90.29%
b. Estimated Share Plans Contribution (4m./2c.)	0.24%	0.25%
c. Expected Member Contribution (4l./2c.)	10.00%	10.00%
d. Estimated City Contribution (4n./2c.)	72.76%	80.04%
e. <i>Estimated City Contribution (4n./2d.)</i>	60.87%	67.19%

<sup>1</sup> Description of Total Annual Compensation (Item 2 of Table I)

## a. Base Pay at Valuation Date:

Participant's base pay (including salary, premiums and longevity) at snapshot date of September 30th increased by assumed salary scale to reflect pay increases that are usually granted in October. Premiums are any salary or pay on which longevity is calculated.

## b. Projected Payroll (Base Pay) EOY:

Base pay at valuation date projected to the end of year (and beginning of fiscal year for which the city contributions are determined) by assuming an aggregate increase in payroll of 3.50%.

## c. Projected Payroll (Pensionable Pay) EOY:

Projected EOY Base Pay loaded by 20% to reflected estimated other pays included in pensionable pay as of October 1, 2009. In prior years the projected pensionable pay was calculated as the Pensionable pay (includes base pay, overtime, holiday pay, allowances, etc.) at snapshot date of September 30th increased by assumed salary scale to reflect pay increases that are usually granted in October. The resulting figure was then projected to the end of year assuming an aggregate increase in payroll of 3.50%.

## d. Projected Payroll (Pensionable Pay plus DROP) EOY:

Projected Pensionable Pay plus DROP participants pay at snapshot date of September 30th increased by assumed salary scale to reflect pay increases that are usually granted in October and then projected to the end of the year assuming an aggregate increase in payroll of 3.50%.

<b>1. Actual Unfunded Accrued Liability as of October 1, 2010</b>	<b>\$291,931,506</b>
<b>2. Expected Change in Unfunded Liability During the 2010/2011 Plan Year</b>	
a. Due to Employer Normal Cost for Benefits	\$16,326,154
b. Due to Interest on the Unfunded Liability	\$23,938,383
c. Actual FY2011 City and State Contributions	(\$32,811,570)
d. Total Expected Change	<u>\$7,452,967</u>
<b>3. Expected Unfunded Accrued Liability as of October 1, 2011</b>	<b><u>\$299,384,473</u></b>
<b>4. Change in Unfunded Liability During the 2010/2011 Plan Year Due to:</b>	
a. Method changes	\$0
b. Assumption changes	\$16,789,224
c. Plan amendments	(\$3,040,138)
d. Experience*	\$26,163,889
e. Total change	<u>\$39,912,975</u>
<b>5. Actual Unfunded Accrued Liability as of October 1, 2011</b>	<b><u>\$339,297,448</u></b>
<b>6. Items Affecting Calculation of Accrued Liability</b>	
a. Plan provisions reflected in the accrued liability (see Table XII on page 48)	
b. Plan amendments reflected in item 4.c. above (see on page 53)	
c. Actuarial assumptions and methods used to determine accrued liability (see Table XI on page 42)	
d. Changes in actuarial assumptions and methods reflected in items 4.a. and 4.b. above (see on page 45)	

\* The experience for the 2010/2011 plan year is comprised of \$24,132,182 in asset losses and \$2,031,707 in liability losses.



**UNFUNDED ACCRUED LIABILITY CONTRIBUTION RATE CHANGE****TABLE II**  
**(continued)**

<b>7. Expected Unfunded Accrued Liability Contribution Rate as of October 1, 2010</b>	40.17%
<b>8. Net Actuarial (Gains)/Losses During the 2010/2011 Plan Year</b>	
a. Due to Salary/Service/Data	(0.31%)
b. Due to Investment Performance	3.35%
c. Due to Turnover/Mortality	(0.64%)
d. Due to New Retirements and Retirement Benefits	1.20%
e. Due to New Members	0.03%
f. Total	3.63%
<b>9. Change in Unfunded Accrued Liability Rate During the 2010/2011 Plan Year Due to:</b>	
a. Assumption changes	2.33%
b. Method changes	0.00%
c. System benefit changes	(0.42%)
d. Total Change	1.91%
<b>10. Other Effects</b>	1.02%
<b>11. Unfunded Accrued Liability Contribution Rate as of October 1, 2011</b>	46.73%
<b>12. Comments on Change in Unfunded Accrued Liability Contribution Rate:</b>	
<b><u>Salary/Service/Data:</u></b>	
Actual salary increases averaged 3.40% compared to expected increase of 3.88%.	
<b><u>Investment Performance:</u></b>	
Actual return on AVA of 2.57% compared to expected 8.20% return due to smoothing of prior investment losses. The MVA return was worse than expected at -0.58%.	
<b><u>Turnover/Mortality:</u></b>	
Net effect on the valuation liabilities of actual deaths, retirements, terminations of employment, and disabilities different from what was anticipated in the aggregate by the assumptions related to those events.	
<b><u>New Retirements and Retirement Benefits:</u></b>	
Greater than expected number of and amount of benefits for new retirements.	
<b><u>Assumption Changes:</u></b>	
The discount rate was reduced by 10 basis points from 8.20% to 8.10% for the October 1, 2011 valuation.	
<b><u>Other effects:</u></b>	
This item captures all other effects that contributed to the overall experience loss that are not detailed in items 8 and 9 above. Effects included in this item are "pickups" of plan participants not valued in the prior year, catch-up COLAs for participants who retired more than 1 year and less than 2 years, and data corrections/adjustments from the prior year.	

	Plan Year 2010/2011	Plan Year 2011/2012
<b>A. Number of Plan Participants as of October 1</b>		
a. Retirees and beneficiaries receiving benefits	631	644
b. Terminated plan participants entitled to but not yet receiving benefits	13	15
c. Active plan participants	468	457
d. Total	1,112	1,116
<b>B. Development of Annual Required Contribution (ARC)</b>		
a. Employer normal cost:		
i. Total normal cost	\$19,949,122	\$19,786,660
ii. Expected employee contribution	(\$5,163,607)	(\$4,971,897)
iii. Employer normal cost	\$14,785,515	\$14,814,763
b. Amortization of UAAL:		
i. PV of future benefits	\$932,080,072	\$957,920,053
i PV of future employer normal costs	(\$98,380,210)	(\$93,122,711)
i PV of future employee contributions	(\$49,304,040)	(\$47,156,429)
iv. Actuarial accrued liability (AAL)	\$784,395,822	\$817,640,913
v. Actuarial value of assets	(\$517,602,834)	(\$525,709,407)
vi. Unfunded AAL (UAAL)	\$266,792,988	\$291,931,506
vii. Amort. of UAAL	\$18,173,399	\$19,970,305
c. ARC	\$32,958,914	\$34,785,068
(Item B.a.iii. plus item B.b.vii.)		
<b>C. Annual Pension Cost and Net Pension Obligation (NPO)</b>		
a. ARC	\$32,958,914	\$34,785,068
b. Interest on NPO	(\$84,078)	\$5,125
c. Adjustment to ARC	\$0	\$0
d. Annual Pension Cost	\$32,874,836	\$34,790,193
e. Contributions made	(\$32,811,570)	
f. Increase(decrease) in NPO	\$63,266	
g. NPO (beginning of year)	\$0	
h. NPO (end of year)	\$63,266	

**D. Three Year Trend Information**

Year Ended September 30	Annual Pension Cost(APC)	Percentage Contributed	Net Pension Obligation
2009	\$19,236,989	100%	0
2010	\$22,378,481	100%	0
2011	\$32,874,836	100%	0

**E. Schedule of Funding Progress**

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) – (1)	(4) Funded Ratio (1) ÷ (2)	(5) Covered Payroll *	(6) UAAL as % of Covered Payroll (3) ÷ (5)
10/1/2006	\$470,603,144	\$582,016,296	\$111,413,152	80.9%	\$36,592,193	304.5%
10/1/2007	\$495,993,903	\$632,992,587	\$136,998,684	78.4%	\$40,060,096	342.0%
10/1/2008	\$507,363,812	\$683,731,944	\$176,368,132	74.2%	\$53,153,934	331.8%
10/1/2009	\$517,602,834	\$784,395,822	\$266,792,988	66.0%	\$51,636,070	516.7%
10/1/2010	\$525,709,407	\$817,640,913	\$291,931,506	64.3%	\$49,718,966	587.2%
10/1/2011	\$531,821,181	\$871,118,629	\$339,297,448	61.1%	\$49,186,724	689.8%

**F. Additional Information**

Valuation date	October 1, 2010	October 1, 2011
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent Closed	Level Percent Closed
Remaining amortization period	21 to 30 Years	20 to 30 Years
Asset valuation method	Market Related Value	Market Related Value
Actuarial assumptions:		
Investment rate of return	8.20%	8.10%
Projected salary increases	2.87% - 9.87%	2.87% - 9.87%
Includes projected payroll	3.50%	3.50%
Cost-of-living adjustments	0.00%	0.00%

\* The historical covered payroll was updated in this valuation to reflect the projected pensionable payroll. All prior reports reflect the base pay at the valuation date.



**1. Actuarial Present Value of Accrued Benefits**

	<b>As of October 1, 2010</b>	<b>As of October 1, 2011</b>
a. Vested Accrued Benefits:		
i. Participants currently receiving benefits	\$577,030,559	\$623,237,295
ii. Other participants	\$149,300,666	\$154,214,550
iii. Sub-total	\$726,331,225	\$777,451,845
b. Non-vested Accrued Benefits	\$36,359,199	\$34,521,952
c. Total Benefits	<b>\$762,690,424</b>	<b>\$811,973,797</b>
d. Market Value of Assets	\$533,495,516	\$523,126,011
e. Percentage Funded	70%	64%

**2. Statement of Changes in Total Actuarial Present Value of All Accrued Benefits**

a. Actuarial Present Value as of October 1, 2010	<b>\$762,690,424</b>
b. Increase (Decrease) During 2010/2011 Plan Year Attributable to:	
i. Interest	\$60,698,303
ii. Benefits accumulated	\$20,381,316
iii. Benefits paid	(\$44,934,423)
iv. Method Change	\$0
v. Plan amendments	(\$2,367,478)
vi. Changes in actuarial assumptions or methods	\$15,505,655
vii. Net increase (decrease)	<b>\$49,283,373</b>
c. Actuarial Present Value as of October 1, 2011	<b>\$811,973,797</b>

**3. Items Affecting Calculation of Actuarial Present Value of Accrued Benefits**

- a. Plan provisions reflected in the accrued benefits (see Table XII page 48)
- b. Actuarial assumptions and methods used to determine present values (see Table XI on page 42)



	October 1, 2011 (Post Plan Changes)		
	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
<b>1. Participant Data</b>			
a. Active members:			
i. Number	306	151	457
ii. Total annual base payroll	\$24,906,920	\$14,695,918	\$39,602,838
iii. Projected annual base payroll	\$25,778,662	\$15,210,275	\$40,988,937
iv. Projected annual pensionable payroll	\$30,934,394	\$18,252,330	\$49,186,724
b. Retired members and beneficiaries:			
i. Number	344	244	588
ii. Total annualized benefit	\$25,200,191	\$18,401,035	\$43,601,226
c. Disabled members receiving benefits:			
i. Number	49	7	56
ii. Total annualized benefit	\$2,857,529	\$466,419	\$3,323,948
d. Terminated vested members:			
i. Number	14	1	15
ii. Total annualized benefit	\$185,354	\$29,711	\$215,065
<b>2. Assets</b>			
a. Actuarial value of assets	n/a	n/a	\$531,821,181
b. Market value of assets	n/a	n/a	\$523,126,011
<b>3. Liabilities</b>			
a. Present value of all future expected benefit payments:			
i. Active members:			
Retirement benefits	\$219,517,479	\$135,762,485	\$355,279,964
Vesting benefits	\$3,556,405	\$2,249,564	\$5,805,969
Disability benefits	\$14,482,170	\$7,737,292	\$22,219,462
Death benefits	\$2,177,571	\$1,240,726	\$3,418,297
Sub-total	\$239,733,625	\$146,990,067	\$386,723,692
ii. Terminated vested members	\$2,211,859	\$471,035	\$2,682,894
iii. Retired members and beneficiaries:			
Retired (other than disabled) and beneficiaries	\$334,898,400	\$249,521,751	\$584,420,151
Disabled members	\$34,166,491	\$4,650,653	\$38,817,144
Sub-total	\$369,064,891	\$254,172,404	\$623,237,295
iv. Member contributions (annuities & refunds)	\$338,210	\$239,044	\$577,254
v. Total present value of all future expected ben. pmts.	\$611,348,585	\$401,872,550	\$1,013,221,135
b. Liabilities due and unpaid	\$0	\$0	\$0

(continued)

	<u>October 1, 2011</u> (Post Plan Changes)		
	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
c. Actuarial accrued liability			
i. Active members:			
Retirement benefits	\$143,032,459	\$90,497,374	\$233,529,833
Vesting benefits	\$832,853	\$577,868	\$1,410,721
Disability benefits	\$5,864,239	\$3,131,487	\$8,995,726
Death benefits	\$808,507	\$453,652	\$1,262,159
Sub-total	\$150,538,058	\$94,660,381	\$245,198,439
ii. Terminated vested members	\$2,211,859	\$471,035	\$2,682,894
iii. Retired members and beneficiaries:			
Retired (other than disabled) and beneficiaries	\$334,898,400	\$249,521,751	\$584,420,151
Disabled members	34,166,491	4,650,653	38,817,144
Sub-total	\$369,064,891	\$254,172,404	\$623,237,295
iv. Total	\$521,814,808	\$349,303,820	\$871,118,628
d. Entry Age Normal Unfunded actuarial accrued liability	n/a	n/a	\$339,297,447
<b>4. Actuarial Present Value of Accrued Benefits</b>	\$483,674,586	\$328,299,211	\$811,973,797
(please reference Table IV for details concerning the present value of accrued benefits)			
<b>5. Pension Cost</b>			
a. Normal cost (including administrative expenses):			
i. Retirement benefits	\$9,506,517	\$5,518,961	\$15,025,478
ii. Vesting benefits	\$365,634	\$221,997	\$587,631
iii. Disability benefits	\$1,102,811	\$585,126	\$1,687,937
iv. Death benefits	\$186,714	\$105,631	\$292,345
v. Administrative expenses	\$348,571	\$348,571	\$697,142
vi. Sub-total	\$11,510,247	\$6,780,286	\$18,290,533
vii. as a percent of projected pensionable payroll (interest adjusted)	37.21%	37.15%	37.19%
b. Payment to amortize unfunded liability	n/a	n/a	\$22,982,602
as a percent of projected pensionable payroll (interest adjusted)	n/a	n/a	46.73%
c. Service Buyback	\$1,856,064	\$1,095,140	\$2,951,204
as a percent of projected base payroll	6.00%	6.00%	6.00%
d. Amount to be contributed by members	\$3,093,439	\$1,825,233	\$4,918,672
as a percent of projected pensionable payroll	10.00%	10.00%	10.00%
e. Interest Adjustment for Expected Member Contributions	\$117,220	\$69,164	\$186,384
as a percent of projected pensionable payroll	0.38%	0.38%	0.38%
f. Expected Share Plans Contributions	\$70,669	\$49,880	\$120,549
as a percent of projected pensionable payroll	0.23%	0.27%	0.25%
g. Expected City Contribution	n/a	n/a	\$39,371,502
as a percent of projected pensionable payroll	n/a	n/a	80.03%

	<b><u>October 1, 2011</u></b>		
	<b>(Post Plan Changes)</b>		
	<b><u>Police</u></b>	<b><u>Firefighters</u></b>	<b><u>Total</u></b>
<b>6. Past Contributions (For year ending September 30,2011)</b>			
a. Required Employer and State contribution	n/a	n/a	\$34,537,068
b. Actual contribution made by:			
i. Employer	n/a	n/a	\$32,691,021
ii. Members	n/a	n/a	\$5,525,395
iii. State (Share Plans)	n/a	n/a	\$120,549
<b>7. Net actuarial (gain)/loss</b>	n/a	n/a	\$26,163,889
<b>8. Other disclosures</b>			
a. Present value of active members':			
i. Future salaries:			
at attained age	\$212,226,522	\$128,088,521	\$340,315,043
at entry age	n/a	n/a	n/a
ii. Future contributions:			
at attained age	\$30,176,171	\$17,654,166	\$47,830,337
at entry age	n/a	n/a	n/a
b. Present value of future contributions from City and State	\$59,357,606	\$34,914,563	\$94,272,169
c. Amount of active members' accumulated contributions	\$30,768,429	\$15,393,637	\$46,162,066

		<u>October 1,</u> (Post Assumption Changes)		
		<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
<b>9. Participant Data</b>				
a. Active members:				
i. Number	306	151	457	
ii. Total annual base payroll	\$24,906,920	\$14,695,918	\$39,602,838	
iii. Projected annual base payroll	\$25,778,662	\$15,210,275	\$40,988,937	
iv. Projected annual pensionable payroll	\$30,934,394	\$18,252,330	\$49,186,724	
b. Retired members and beneficiaries:				
i. Number	344	244	588	
ii. Total annualized benefit	\$25,200,191	\$18,401,035	\$43,601,226	
c. Disabled members receiving benefits:				
i. Number	49	7	56	
ii. Total annualized benefit	\$2,857,529	\$466,419	\$3,323,948	
d. Terminated vested members:				
i. Number	14	1	15	
ii. Total annualized benefit	\$185,354	\$29,711	\$215,065	
<b>10. Assets</b>				
a. Actuarial value of assets	n/a	n/a	\$531,821,181	
b. Market value of assets	n/a	n/a	\$523,126,011	
<b>11. Liabilities</b>				
a. Present value of all future expected benefit payments:				
i. Active members:				
Retirement benefits	\$222,166,950	\$137,408,830	\$359,575,780	
Vesting benefits	\$3,622,577	\$2,290,979	\$5,913,556	
Disability benefits	\$14,748,592	\$7,880,407	\$22,628,999	
Death benefits	\$2,214,449	\$1,262,025	\$3,476,474	
Sub-total	\$242,752,568	\$148,842,241	\$391,594,809	
ii. Terminated vested members	\$2,211,859	\$471,035	\$2,682,894	
iii. Retired members and beneficiaries:				
Retired (other than disabled) and beneficiaries	\$334,898,400	\$249,521,751	\$584,420,151	
Disabled members	\$34,166,491	\$4,650,653	\$38,817,144	
Sub-total	\$369,064,891	\$254,172,404	\$623,237,295	
iv. Member contributions (annuities & refunds)	\$338,210	\$239,044	\$577,254	
v. Total present value of all future expected ben. pmts.	\$614,367,528	\$403,724,724	\$1,018,092,252	
b. Liabilities due and unpaid	\$0	\$0	\$0	



	<b>October 1,</b> <b>(Post Assumption Changes)</b>		
	<b><u>Police</u></b>	<b><u>Firefighters</u></b>	<b><u>Total</u></b>
c. Actuarial accrued liability			
i. Active members:			
Retirement benefits	\$144,759,234	\$91,593,387	\$236,352,621
Vesting benefits	\$855,672	\$591,261	\$1,446,933
Disability benefits	\$5,969,936	\$3,188,006	\$9,157,942
Death benefits	\$820,520	\$460,563	\$1,281,083
Sub-total	\$152,405,362	\$95,833,217	\$248,238,579
ii. Terminated vested members	\$2,211,859	\$471,035	\$2,682,894
iii. Retired members and beneficiaries:			
Retired (other than disabled) and beneficiaries	\$334,898,400	\$249,521,751	\$584,420,151
Disabled members	34,166,491	4,650,653	38,817,144
Sub-total	\$369,064,891	\$254,172,404	\$623,237,295
iv. Total	\$523,682,112	\$350,476,656	\$874,158,768
d. Entry Age Normal Unfunded actuarial accrued liability	n/a	n/a	\$342,337,587
<b>12. Actuarial Present Value of Accrued Benefits</b>	\$485,109,667	\$329,231,608	\$814,341,275
(please reference Table IV for details concerning the present value of accrued benefits)			
<b>13. Pension Cost</b>			
a. Normal cost (including administrative expenses):			
i. Retirement benefits	\$9,621,016	\$5,585,900	\$15,206,916
ii. Vesting benefits	\$371,005	\$225,374	\$596,379
iii. Disability benefits	\$1,123,342	\$596,098	\$1,719,440
iv. Death benefits	\$189,880	\$107,456	\$297,336
v. Administrative expenses	\$348,571	\$348,571	\$697,142
vi. Sub-total	\$11,653,814	\$6,863,399	\$18,517,213
vii. as a percent of projected pensionable payroll (interest adjusted)	37.67%	37.60%	37.65%
b. Payment to amortize unfunded liability	n/a	n/a	\$23,174,512
as a percent of projected pensionable payroll (interest adjusted)	n/a	n/a	47.12%
c. Service Buyback	\$1,856,064	\$1,095,140	\$2,951,204
as a percent of projected base payroll	6.00%	6.00%	6.00%
d. Amount to be contributed by members	\$3,093,439	\$1,825,233	\$4,918,672
as a percent of projected pensionable payroll	10.00%	10.00%	10.00%
e. Interest Adjustment for Expected Member Contributions	\$117,220	\$69,164	\$186,384
as a percent of projected pensionable payroll	0.38%	0.38%	0.38%
f. Expected Share Plans Contributions	\$70,669	\$49,880	\$120,549
as a percent of projected pensionable payroll	0.23%	0.27%	0.25%
g. Expected City Contribution	n/a	n/a	\$39,790,092
as a percent of projected pensionable payroll	n/a	n/a	80.89%

	<u>October 1,</u> (Post Assumption Changes)		
	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
<b>14. Past Contributions (For year ending September 30,2011)</b>			
a. Required Employer and State contribution	n/a	n/a	\$34,537,068
b. Actual contribution made by:			
i. Employer	n/a	n/a	\$32,691,021
ii. Members	n/a	n/a	\$5,525,395
iii. State (Share Plans)	n/a	n/a	\$120,549
<b>15. Net actuarial (gain)/loss</b>	n/a	n/a	\$0
<b>16. Other disclosures</b>			
a. Present value of active members':			
i. Future salaries:			
at attained age	\$212,226,522	\$128,088,521	\$340,315,043
at entry age	n/a	n/a	n/a
ii. Future contributions:			
at attained age	\$29,748,638	\$17,392,478	\$47,141,116
at entry age	n/a	n/a	n/a
b. Present value of future contributions from City and State	\$60,936,778	\$35,855,589	\$96,792,367
c. Amount of active members' accumulated contributions	\$30,768,429	\$15,393,637	\$46,162,066

(continued)

October 1, 2011

(Pre Assumption Changes)

	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
<b>17. Participant Data</b>			
a. Active members:			
i. Number	306	151	457
ii. Total annual base payroll	\$24,906,920	\$14,695,918	\$39,602,838
iii. Projected annual base payroll	\$25,778,662	\$15,210,275	\$40,988,937
iv. Projected annual pensionable payroll	\$30,934,395	\$18,252,330	\$49,186,725
b. Retired members and beneficiaries:			
i. Number	344	244	588
ii. Total annualized benefit	\$25,200,191	\$18,401,035	\$43,601,226
c. Disabled members receiving benefits:			
i. Number	49	7	56
ii. Total annualized benefit	\$2,752,681	\$451,673	\$3,204,354
d. Terminated vested members:			
i. Number	14	1	15
ii. Total annualized benefit	\$185,354	\$29,711	\$215,065
<b>18. Assets</b>			
a. Actuarial value of assets	n/a	n/a	\$531,821,181
b. Market value of assets	n/a	n/a	\$523,126,011
<b>19. Liabilities</b>			
a. Present value of all future expected benefit payments:			
i. Active members:			
Retirement benefits	\$215,829,841	\$133,548,032	\$349,377,873
Vesting benefits	\$3,499,925	\$2,208,644	\$5,708,569
Disability benefits	\$14,445,006	\$7,715,847	\$22,160,853
Death benefits	\$2,668,616	\$1,507,752	\$4,176,368
Sub-total	\$236,443,388	\$144,980,275	\$381,423,663
ii. Terminated vested members	\$2,168,069	\$462,855	\$2,630,924
iii. Retired members and beneficiaries:			
Retired (other than disabled) and beneficiaries	\$328,595,607	\$244,850,904	\$573,446,511
Disabled members	\$33,705,436	\$4,589,252	\$38,294,688
Sub-total	\$362,301,043	\$249,440,156	\$611,741,199
iv. Member contributions (annuities & refunds)	\$358,985	\$248,007	\$606,992
v. Total present value of all future expected ben. pmts.	\$601,271,485	\$395,131,293	\$996,402,778
b. Liabilities due and unpaid	\$0	\$0	\$0

<b>October 1, 2011</b>			
<b>(Pre Assumption Changes)</b>			
	<b><u>Police</u></b>	<b><u>Firefighters</u></b>	<b><u>Total</u></b>
c. Actuarial accrued liability			
i. Active members:			
Retirement benefits	\$141,399,588	\$89,527,358	\$230,926,946
Vesting benefits	\$827,640	\$572,790	\$1,400,430
Disability benefits	\$5,881,439	\$3,141,412	\$9,022,851
Death benefits	\$1,057,226	\$589,966	\$1,647,192
Sub-total	\$149,165,893	\$93,831,526	\$242,997,419
ii. Terminated vested members	\$2,168,069	\$462,855	\$2,630,924
iii. Retired members and beneficiaries:			
Retired (other than disabled) and beneficiaries	\$328,595,607	\$244,850,904	\$573,446,511
Disabled members	33,705,436	4,589,252	38,294,688
Sub-total	\$362,301,043	\$249,440,156	\$611,741,199
iv. Total	\$513,635,005	\$343,734,537	\$857,369,542
d. Entry Age Normal Unfunded actuarial accrued liability	n/a	n/a	\$325,548,361
<b>20. Actuarial Present Value of Accrued Benefits</b>	\$475,884,606	\$322,951,014	\$798,835,620
(please reference Table IV for details concerning the present value of accrued benefits)			
<b>21. Pension Cost</b>			
a. Normal cost (including administrative expenses):			
i. Retirement benefits	\$9,317,471	\$5,407,878	\$14,725,349
ii. Vesting benefits	\$361,787	\$219,300	\$581,087
iii. Disability benefits	\$1,103,905	\$585,581	\$1,689,486
iv. Death benefits	\$222,235	\$124,681	\$346,916
v. Administrative expenses	\$348,571	\$348,571	\$697,142
vi. Sub-total	\$11,353,969	\$6,686,011	\$18,039,980
vii. As a percent of projected base payroll (interest adjusted)	36.70%	36.63%	36.68%
b. Payment to amortize unfunded liability	n/a	n/a	\$22,114,683
as a percent of projected base payroll (interest adjusted)	n/a	n/a	44.96%
c. Service Buyback	\$1,856,064	\$1,095,140	\$2,951,204
as a percent of projected base payroll	6.00%	6.00%	6.00%
d. Amount to be contributed by members	\$3,093,440	\$1,825,233	\$4,918,673
as a percent of projected base payroll	10.00%	10.00%	10.00%
e. Interest Adjustment for Expected Member Contributions	\$118,630	\$69,996	\$188,626
as a percent of projected base payroll	0.38%	0.38%	0.38%
f. Expected Share Plans Contributions	\$70,669	\$49,880	\$120,549
as a percent of projected base payroll	0.23%	0.27%	0.25%
g. Expected City Contribution	n/a	n/a	\$38,255,271
as a percent of projected base payroll	n/a	n/a	77.78%



**October 1, 2011**

**(Pre Assumption Changes)**

	<b><u>Police</u></b>	<b><u>Firefighters</u></b>	<b><u>Total</u></b>
<b>22. Past Contributions (For year ending September 30,2011)</b>			
a. Required Employer and State contribution	n/a	n/a	\$34,537,068
b. Actual contribution made by:			
i. Employer	n/a	n/a	\$32,691,021
ii. Members	n/a	n/a	\$5,525,395
iii. State (Share Plans)	n/a	n/a	\$120,549
<b>23. Net actuarial (gain)/loss</b>	n/a	n/a	\$26,163,889
<b>24. Other disclosures</b>			
a. Present value of active members':			
i. Future salaries:			
at attained age	\$210,882,784	\$127,226,669	\$338,109,453
at entry age	n/a	n/a	n/a
ii. Future contributions:			
at attained age	\$29,540,692	\$17,261,786	\$46,802,478
at entry age	n/a	n/a	n/a
b. Present value of future contributions from City and State	\$58,095,788	\$34,134,969	\$92,230,757
c. Amount of active members' accumulated contributions	\$30,768,429	\$15,393,637	\$46,162,066

October 1, 2010

	<u>Police</u>	<u>Firefighters</u>	<u>Total</u>
<b>25. Participant Data</b>			
a. Active members:			
i. Number	318	150	468
ii. Total annual payroll	\$25,489,391	\$14,541,983	\$40,031,374
iii. Projected annual payroll	\$26,381,520	\$15,050,952	\$41,432,472
iv. Projected annual pensionable payroll	\$31,657,824	\$18,061,143	\$49,718,967
b. Retired members and beneficiaries:			
i. Number	334	238	572
ii. Total annualized benefit	\$23,479,343	\$17,301,091	\$40,780,434
c. Disabled members receiving benefits:			
i. Number	49	10	59
ii. Total annualized benefit	\$2,787,834	\$509,042	\$3,296,876
d. Terminated vested members:			
i. Number	12	1	13
ii. Total annualized benefit	\$208,263	\$29,711	\$237,974
<b>26. Assets</b>			
Actuarial Value of Assets	n/a	n/a	\$525,709,407
Market Value of Assets	n/a	n/a	\$533,495,516
<b>27. Liabilities</b>			
a. Present value of all future expected benefit payments:			
i. Active members:			
Retirement benefits	\$215,450,148	\$129,808,269	\$345,258,417
Vesting benefits	\$3,627,940	\$2,121,877	\$5,749,817
Disability benefits	\$14,485,257	\$7,596,836	\$22,082,093
Death benefits	\$2,735,680	\$1,511,066	\$4,246,746
Sub-total	\$236,299,025	\$141,038,048	\$377,337,073
ii. Terminated vested members	\$2,508,626	\$427,162	\$2,935,788
iii. Retired members and beneficiaries:			
Retired (other than disabled) and beneficiaries	\$307,098,249	\$231,710,777	\$538,809,026
Disabled members	\$33,308,604	\$4,912,929	\$38,221,533
Sub-total	\$340,406,853	\$236,623,706	\$577,030,559
iv. Member contributions (annuities & refunds)	\$382,549	\$234,084	\$616,633
v. Total present value of all future expected ben. pmts.	\$579,597,053	\$378,323,000	\$957,920,053
b. Liabilities due and unpaid	\$0	\$0	\$0

**October 1, 2010**

	<b><u>Police</u></b>	<b><u>Firefighters</u></b>	<b><u>Total</u></b>
c. Actuarial accrued liability			
i. Active members:			
Retirement benefits	\$138,670,928	\$87,015,304	\$225,686,232
Vesting benefits	\$868,391	\$519,088	\$1,387,479
Disability benefits	\$5,759,727	\$3,172,713	\$8,932,440
Death benefits	\$1,055,926	\$612,488	\$1,668,414
Sub-total	\$146,354,972	\$91,319,593	\$237,674,565
ii. Terminated vested members	\$2,508,626	\$427,162	\$2,935,788
iii. Retired members and beneficiaries:			
Retired (other than disabled) and beneficiaries	\$307,098,249	\$231,710,777	\$538,809,026
Disabled members	33,308,604	4,912,929	38,221,533
Sub-total	\$340,406,853	\$236,623,706	\$577,030,559
iv. Total	\$489,270,451	\$328,370,461	\$817,640,912
d. Unfunded actuarial accrued liability	n/a	n/a	\$291,931,506
<b>28. Actuarial Present Value of Accrued Benefits</b>	\$453,938,902	\$308,751,522	\$762,690,424
(please reference Table IV for details concerning the present value of accrued benefits)			
<b>29. Pension Cost (as a % of payroll)</b>			
a. Normal cost (including administrative expenses):			
i. Retirement benefits	\$9,464,413	\$5,333,089	\$14,797,502
ii. Vesting benefits	\$370,150	\$214,271	\$584,421
iii. Disability benefits	\$1,107,037	\$585,007	\$1,692,044
iv. Death benefits	\$227,628	\$125,509	\$353,137
v. Administrative expenses	\$348,571	\$348,571	\$697,142
vi. Sub-total	\$11,517,799	\$6,606,447	\$18,124,246
vii. As a percent of projected payroll (interest adjusted)	36.38%	36.58%	36.44%
b. Payment to amortize unfunded liability	n/a	n/a	\$19,970,304
as a percent of projected payroll (interest adjusted)	n/a	n/a	40.17%
c. Service buyback	\$1,899,469	\$1,083,669	\$2,983,138
as a percent of projected annual payroll	6.00%	6.00%	6.00%
d. Amount to be contributed by members	\$3,165,782	\$1,806,115	\$4,971,897
as a percent of projected annual payroll	10.00%	10.00%	10.00%
e. Interest Adjustment for Expected Member Contributions	\$121,405	\$69,263	\$190,668
as a percent of projected annual payroll	0.38%	0.38%	0.38%
f. Expected Share Plans Contributions	\$70,669	\$49,880	\$120,549
as a percent of projected annual payroll	0.22%	0.28%	0.24%
g. Expected City Contribution	n/a	n/a	\$36,175,910
as a percent of projected annual payroll	n/a	n/a	72.76%

**October 1, 2010**

	<b><u>Police</u></b>	<b><u>Firefighters</u></b>	<b><u>Total</u></b>
<b>30. Past Contributions (For year ending September 30,2010)</b>			
a. Required Employer and State contribution	n/a	n/a	\$23,403,818
b. Actual contribution made by:			
i. Employer	n/a	n/a	\$23,283,269
ii. Members	n/a	n/a	\$5,989,852
iii. State (Share Plans)	n/a	n/a	\$120,549
<b>31. Net actuarial (gain)/loss</b>	n/a	n/a	\$66,369,581
<b>32. Other disclosures</b>			
a. Present value of active members':			
i. Future salaries:			
at attained age	\$218,414,137	\$123,743,743	\$342,157,880
at entry age	n/a	n/a	n/a
ii. Future contributions:			
at attained age	\$30,423,712	\$16,732,717	\$47,156,429
at entry age	n/a	n/a	n/a
b. Present value of future contributions from City and State	\$59,902,890	\$33,219,821	\$93,122,711
c. Amount of active members' accumulated contributions	\$29,480,690	\$14,738,861	\$44,219,551



# UNFUNDED LIABILITY BASES

# TABLE Va

Description	Original Amount	Outstanding Balance as of October 1, 2010	2010/2011	Outstanding Balance as of October 1, 2011	2011/2012	Years Remaining
			Actual Amortization Payment		Expected Amortization Payment	
Initial Unfunded Liability	\$11,301,726	\$12,625,669	\$978,455	\$12,682,519	\$1,004,256	20
10/01/2002 Method Change	\$12,519,763	\$14,143,017	\$1,065,999	\$14,236,745	\$1,093,750	21
10/01/2003 Amendment	\$1,078,557	\$1,204,239	\$88,448	\$1,214,539	\$90,721	22
10/01/2003 Experience Loss	\$32,473,033	\$36,257,058	\$2,662,968	\$36,567,169	\$2,731,415	22
10/01/2004 Experience Loss	\$34,892,889	\$38,441,639	\$2,756,053	\$38,837,800	\$2,826,004	23
10/01/2005 Method Change	-\$31,074,307	-\$33,728,612	-\$2,364,197	-\$34,130,161	-\$2,423,454	24
10/01/2005 Assumption Change	\$6,250,297	\$6,784,183	\$475,535	\$6,864,951	\$487,454	24
10/01/2005 Experience Loss	\$23,210,540	\$25,193,138	\$1,765,906	\$25,493,069	\$1,810,167	24
10/01/2006 Method Change	-\$4,690,352	-\$5,019,552	-\$344,491	-\$5,086,664	-\$353,019	25
10/01/2006 Experience Loss	\$20,303,584	\$21,728,627	\$1,491,232	\$22,019,142	\$1,528,146	25
10/01/2007 Experience Loss	\$23,808,174	\$25,088,808	\$1,688,095	\$25,457,995	\$1,729,369	26
10/01/2008 Assumption Change	\$5,715,022	\$5,923,037	\$391,196	\$6,017,530	\$400,645	27
10/01/2008 Experience Loss	\$31,543,745	\$32,691,869	\$2,159,186	\$33,213,416	\$2,211,336	27
10/01/2009 Assumption Change	\$22,643,463	\$23,060,706	\$1,496,733	\$23,454,951	\$1,532,447	28
10/01/2009 Experience Loss	\$65,168,739	\$66,369,581	\$4,307,655	\$67,504,232	\$4,410,441	28
10/01/2010 Assumption Change	\$4,429,434	\$4,429,434	\$282,809	\$4,509,839	\$289,476	29
10/01/2010 Experience Loss	\$16,738,664	\$16,738,664	\$1,068,723	\$17,042,511	\$1,093,919	29
10/01/2011 Plan Change	-\$3,040,138			-\$3,040,138	-\$191,910	30
10/01/2011 Assumption Change	\$16,789,224			\$16,789,224	\$1,059,829	30
10/01/2011 Experience Loss	\$26,163,889			\$26,163,889	\$1,651,610	30
<b>Total</b>	<b>\$316,225,946</b>	<b>\$291,931,505</b>	<b>\$19,970,305</b>	<b>\$335,812,558</b>	<b>\$22,982,602</b>	

Date	Projected Unfunded Liability
October 1, 2011	\$335,812,558
October 1, 2012	\$340,030,773
October 1, 2013	\$343,786,273
October 1, 2041	\$0

	As of Oct 1, 2010	As of Oct 1, 2011	As of Oct 1, 2012	As of Oct 1, 2013	As of Oct 1, 2014
1. Actuarial Value of Assets AVA (BOY)	517,602,834	525,709,407	-	-	-
2. Market Value of Assets MVA (BOY)	494,211,874	533,495,516	-	-	-
3. Market Value of Assets MVA (EOY)	533,495,516	523,126,011			
4. Realized and Unrealized gains /(losses)					
Realized gains/(losses)	7,621,609	19,874,681	-	-	-
Unrealized gains/(losses)	31,707,608	(37,092,596)	-	-	-
Total Realized/Unrealized gains/(losses)	39,329,217	(17,217,915)	-	-	-
5. Historical Realized and Unrealized gains /(losses)					
a. Current Year Gains/(Losses)	39,329,217	(17,217,915)	-	-	-
b. First Prior Year Gains/(Losses)	(9,154,705)	39,329,217	(17,217,915)	-	-
c. Second Prior Year Gains/(Losses)	(74,282,428)	(9,154,705)	39,329,217	(17,217,915)	-
d. Third Prior Year Gains/(Losses)	57,642,643	(74,282,428)	(9,154,705)	39,329,217	(17,217,915)
e. Fourth Prior Year Gains/(Losses)	27,226,025	57,642,643	(74,282,428)	(9,154,705)	39,329,217
	40,760,752	(3,683,188)	(61,325,831)	12,956,597	22,111,302
6. Phase-In of Realized and Unrealized Gains/(Losses)					
a. Current Year Gains/(Losses) - 20%	7,865,843	(3,443,583)	-	-	-
b. First Prior Year Gains/(Losses) -40%	(3,661,882)	15,731,687	(6,887,166)	-	-
c. Second Prior Year Gains/(Losses) -60%	(44,569,457)	(5,492,823)	23,597,530	(10,330,749)	-
d. Third Prior Year Gains/(Losses) - 80%	46,114,114	(59,425,942)	(7,323,764)	31,463,374	(13,774,332)
e. Fourth Prior Year Gains/(Losses) - 100%	27,226,025	57,642,643	(74,282,428)	(9,154,705)	39,329,217
	32,974,643	5,011,982	(64,895,828)	11,977,920	25,554,885
7. Actuarial Value of Assets (EOY)					
a. Preliminary AVA [3-5+6]	525,709,407	531,821,181	-	-	-
b. Upper Corridor Limit: 120%	640,194,619	627,751,213	-	-	-
c. Lower Corridor Limit: 80%	426,796,413	418,500,809	-	-	-
d. Final Actuarial Value of Assets	<b>525,709,407</b>	<b>531,821,181</b>	-	-	-

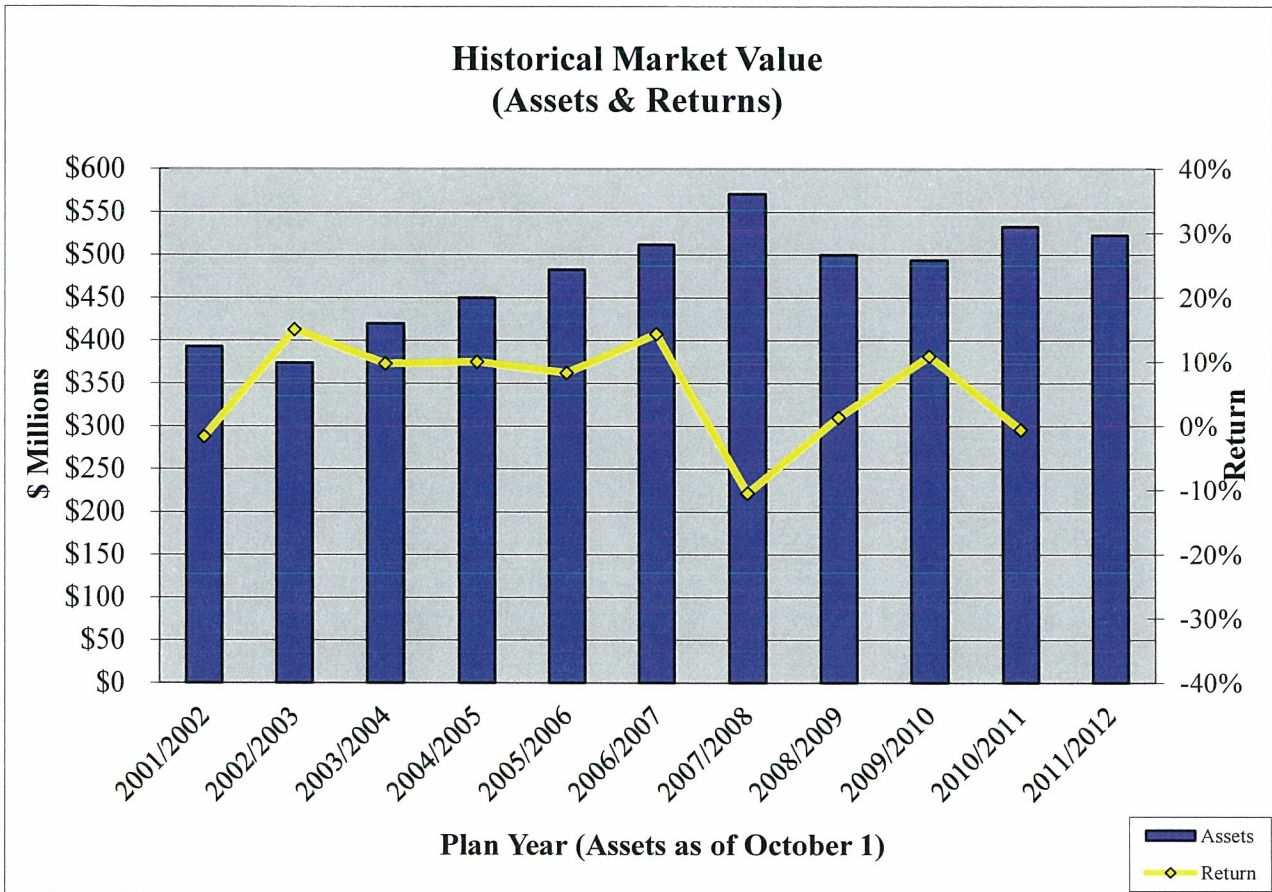
<b>1. Market Value of Assets as of October 1, 2010</b>	<b>533,495,516</b>
<b>2. Increases Due to:</b>	
a. Contributions:	
i. City	\$32,691,021
ii. State (Share Plans)	\$120,549
iii. Member Contributions*	\$5,162,251
iv. Buybacks	\$621,252
v. Transfers In	\$0
vi. Total	<u>\$38,595,073</u>
b. Investment income (interest and dividends)	\$16,712,242
c. Realized gains/(losses)	\$19,874,681
d. Unrealized gains/(losses)	(\$37,092,596)
e. Total increases	<u><u>\$38,089,400</u></u>
<b>3. Decreases Due to:</b>	
a. Benefit payments	(\$44,826,829)
b. Refund of member contributions	(\$107,594)
c. Investment Expenses	(\$2,552,576)
d. Administrative expenses	(\$971,906)
e. Total decreases	<u><u>(\$48,458,905)</u></u>
<b>4. Market Value of Assets as of October 1, 2011</b>	<b>523,126,011</b>

\* Includes \$258,108 in accrued off-duty employee contributions payable

**ASSET RECONCILIATION****TABLE VIa  
(continued)**

<b>1. Actuarial Value of Assets as of October 1, 2010</b>	<b>525,709,407</b>
<b>2. Increases Due to:</b>	
a. Contributions:	
i. City	\$32,691,021
ii. State (Share Plans)	\$120,549
iii. Member Contributions	\$5,162,251
iv. Buybacks	\$621,252
v. Transfers In	\$0
vi. Total	<u>\$38,595,073</u>
b. Investment income (interest and dividends)	\$16,712,242
c. Realized gains/(losses)	\$19,874,681
d. Unrealized gains/(losses)	(\$20,611,317)
e. Total increases	<u><u>\$54,570,679</u></u>
<b>3. Decreases Due to:</b>	
a. Benefit payments	(\$44,826,829)
b. Refund of member contributions	(\$107,594)
c. Investment Expenses	(\$2,552,576)
d. Administrative expenses	(\$971,906)
e. Total decreases	<u><u>(\$48,458,905)</u></u>
<b>4. Actuarial Value of Assets as of October 1, 2011</b>	<b>531,821,181</b>





Plan Year	Market Value as of October 1	Actuarial Value as of October 1	Benefit Payments*	Administrative Expenses	City, State and Member Contributions	Market Value Return	Actuarial Value Return
2001/2002	\$393,319,577	\$404,340,268	\$20,210,635	\$498,825	\$7,753,324	-1.65%	2.39%
2002/2003	\$373,980,268	\$400,898,095	\$22,072,374	\$521,173	\$13,014,855	15.05%	4.82%
2003/2004	\$419,972,421	\$410,423,595	\$24,173,338	\$564,532	\$14,082,481	9.72%	4.52%
2004/2005	\$449,622,848	\$418,089,222	\$27,202,700	\$581,953	\$16,960,734	9.99%	12.22%
2005/2006	\$483,180,441	\$457,680,582	\$30,109,229	\$633,113	\$19,517,106	8.28%	5.34%
2006/2007	\$511,508,858	\$470,603,144	\$32,367,302	\$646,588	\$20,425,699	14.31%	8.18%
2007/2008	\$571,193,561	\$495,993,903	\$35,014,659	\$641,844	\$23,195,343	-10.43%	4.87%
2008/2009	\$499,788,831	\$507,363,812	\$38,195,186	\$767,484	\$26,702,592	1.35%	4.49%
2009/2010	\$494,211,874	\$517,602,834	\$42,314,959	\$697,141	\$29,393,670	10.85%	4.25%
2010/2011	\$533,495,516	\$525,709,407	\$44,934,423	\$971,906	\$38,595,073	-0.58%	2.57%
2011/2012	\$523,126,011	\$531,821,181					

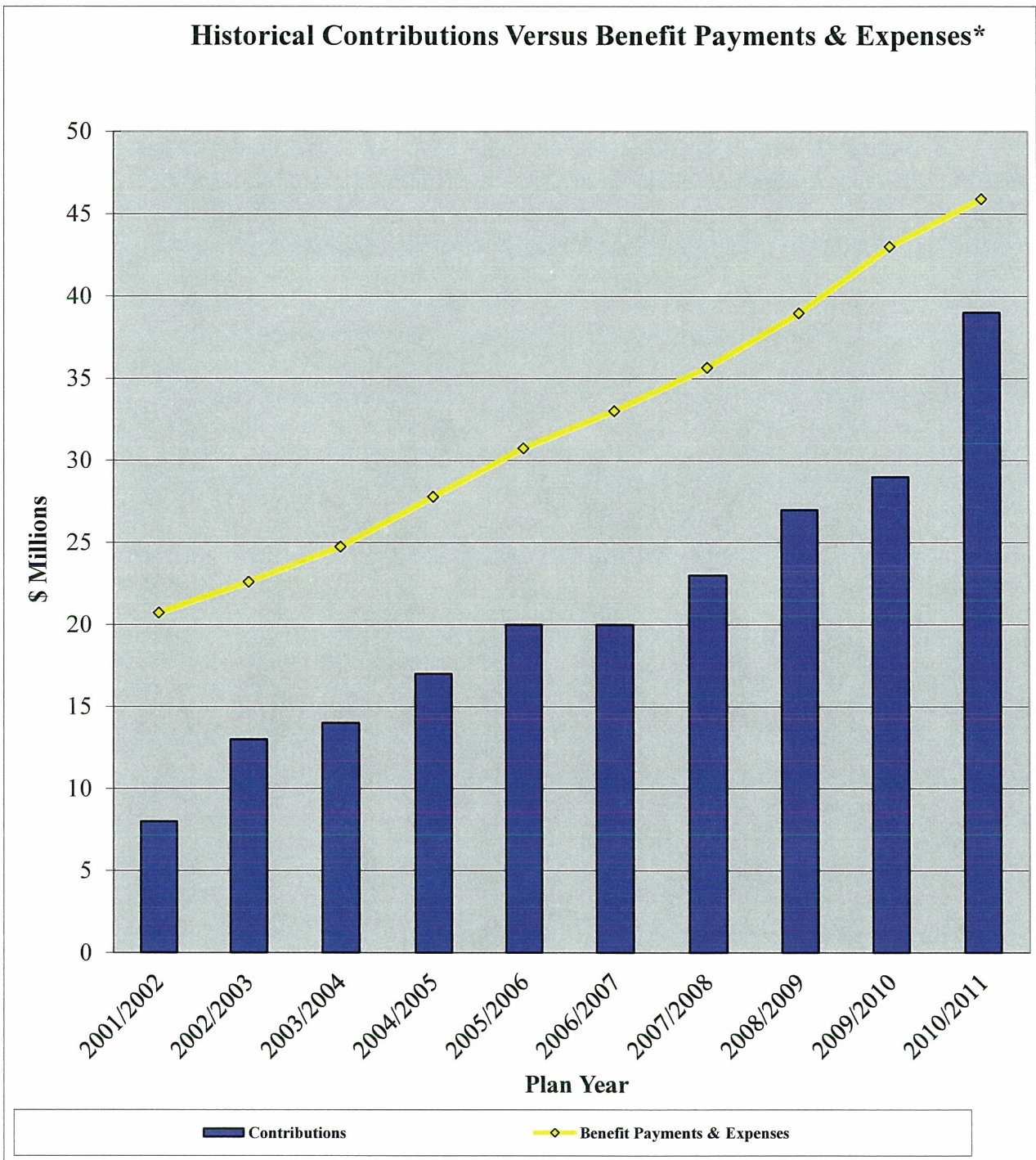
\* includes contributions refunded

**REVENUES BY SOURCE AND EXPENSES BY TYPE****TABLE VIIa**

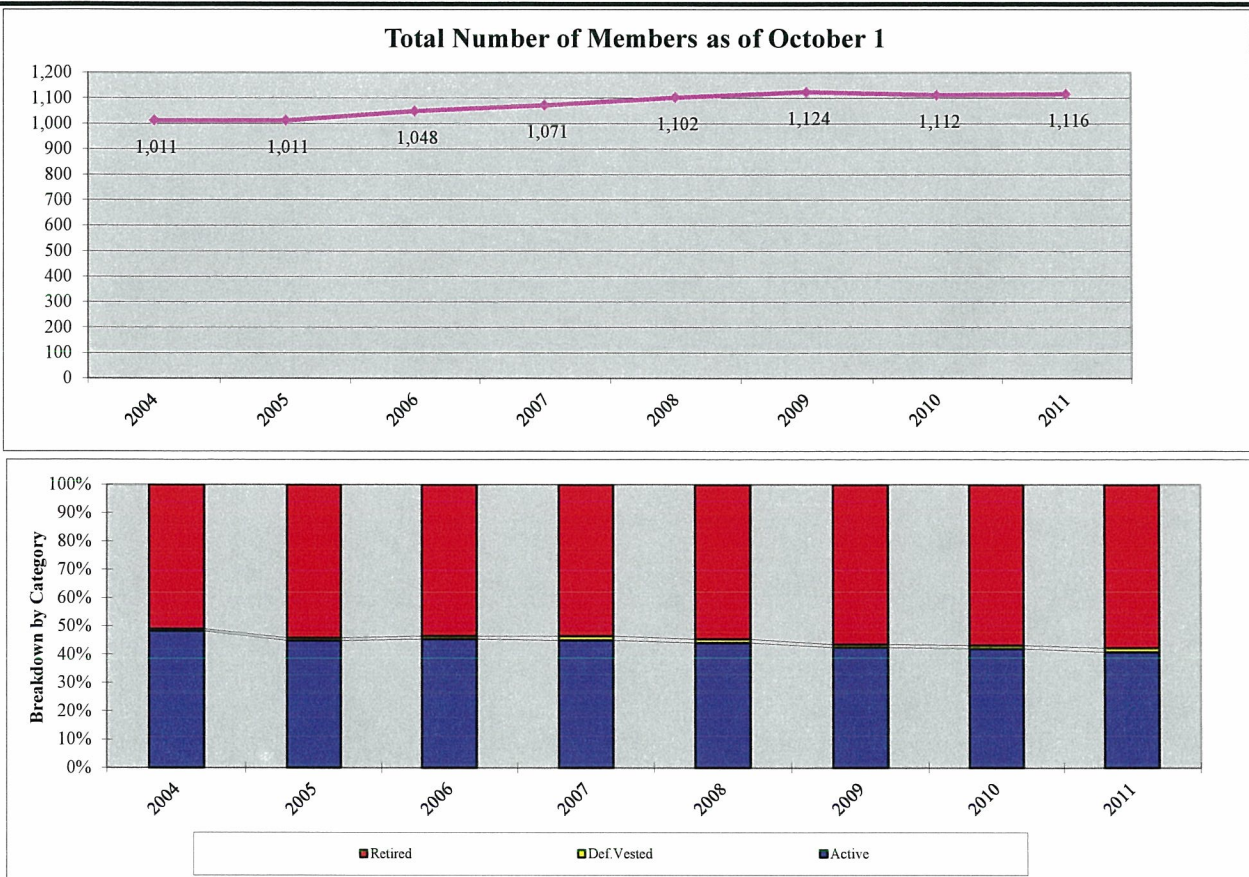
<b>REVENUES</b>						
<b>Fiscal Year</b>	<b>City Contrib.</b>	<b>Share Plans Contrib.</b>	<b>Member Contrib.</b>	<b>Total Contrib.</b>	<b>Net Invest. Income</b>	<b>Total</b>
2000/2001	\$733,425		\$3,577,878	\$4,311,303	(\$38,313,700)	(\$34,002,397)
2001/2002	\$3,510,328		\$4,242,996	\$7,753,324	(\$1,027,634)	\$6,725,690
2002/2003	\$8,577,326		\$4,437,529	\$13,014,855	\$55,570,845	\$68,585,700
2003/2004	\$9,387,091	\$107,000	\$4,588,390	\$14,082,481	\$40,305,816	\$54,388,297
2004/2005	\$11,857,606	\$120,549	\$4,982,579	\$16,960,734	\$44,381,512	\$61,342,246
2005/2006	\$14,481,287	\$120,549	\$4,915,270	\$19,517,106	\$39,553,653	\$59,070,759
2006/2007	\$15,110,868	\$120,549	\$5,194,282	\$20,425,699	\$72,272,894	\$92,698,594
2007/2008	\$17,497,496	\$120,549	\$5,577,298	\$23,195,343	(\$58,943,570)	(\$35,748,227)
2008/2009	\$20,039,446	\$120,549	\$6,542,597	\$26,702,592	\$24,604,707	\$51,307,299
2009/2010	\$23,283,269	\$120,549	\$5,989,852	\$29,393,670	\$23,972,011	\$53,365,681
2010/2011	\$32,691,021	\$120,549	\$5,783,503	\$38,595,073	\$15,975,606	\$54,570,679

<b>EXPENSES</b>				
<b>Fiscal Year</b>	<b>Benefits Paid</b>	<b>Member Refunds</b>	<b>Administrative Expenses</b>	<b>Total</b>
2000/2001	\$18,999,180	\$75,154	\$526,157	\$19,600,491
2001/2002	\$20,107,750	\$102,885	\$498,825	\$20,709,460
2002/2003	\$21,919,356	\$153,018	\$521,173	\$22,593,547
2003/2004	\$24,130,299	\$43,039	\$564,532	\$24,737,870
2004/2005	\$27,168,740	\$33,960	\$581,953	\$27,784,653
2005/2006	\$30,048,732	\$60,497	\$633,113	\$30,742,342
2006/2007	\$32,241,728	\$125,574	\$646,588	\$33,013,890
2007/2008	\$34,912,004	\$102,655	\$641,844	\$35,656,503
2008/2009	\$37,986,970	\$208,216	\$767,484	\$38,962,670
2009/2010	\$42,294,293	\$20,666	\$697,141	\$43,012,100
2010/2011	\$44,826,829	\$107,594	\$971,906	\$45,906,329



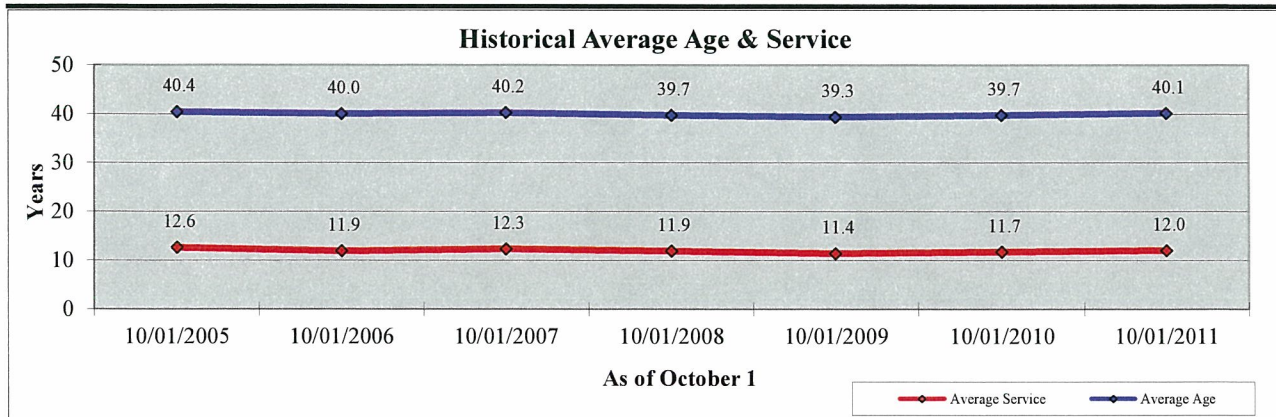


\* Please reference Table VIIa on page 28 for the historical benefit payments, expenses, and contributions.



	As of October 1, 2010	As of October 1, 2011
<b>1. Active Members</b>		
a. Police Officers	318	306
b. Firefighters	150	151
c. Sub-total	<u>468</u>	<u>457</u>
<b>2. Non-active, Non-retired Members</b>		
a. Fully or partially vested	13	15
b. Beneficiaries	0	0
c. Sub-total	<u>13</u>	<u>15</u>
<b>3. Retired Members</b>		
a. Non-disabled(excluding DROP)	417	432
b. DROP	67	66
c. Disabled	59	56
d. Beneficiaries	88	90
e. Sub-total	<u>631</u>	<u>644</u>
<b>4. Total Members</b>	<u><u>1,112</u></u>	<u><u>1,116</u></u>

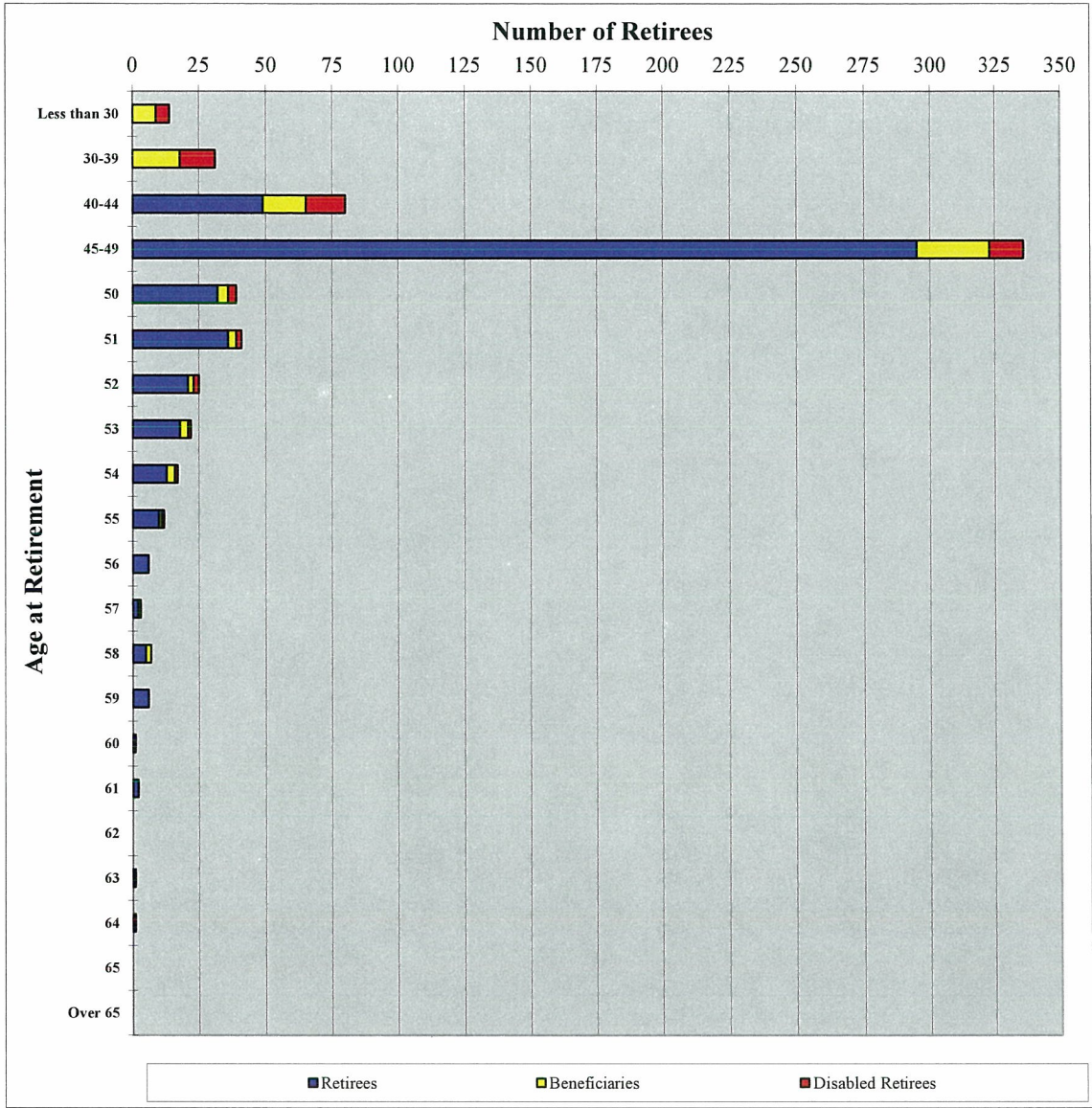




Date	Average Service Earned	Average Attained Age	Date	Average Service Earned	Average Attained Age
10/01/2002	12.6	39.9	10/01/2007	12.3	40.2
10/01/2003	12.9	40.2	10/01/2008	11.9	39.7
10/01/2004	12.9	40.4	10/01/2009	11.4	39.3
10/01/2005	12.6	40.4	10/01/2010	11.7	39.7
10/01/2006	11.9	40.0	10/01/2011	12.0	40.1



Plan Year Ending	Average Salary	Actual Salary Increase	Assumed Salary Increase	Plan Year Ending	Average Salary	Actual Salary Increase	Assumed Salary Increase
09/30/2000	\$57,588	2.74%	4.81%	09/30/2006	\$74,275	7.87%	4.80%
09/30/2001	\$58,149	3.78%	4.81%	09/30/2007	\$80,302	9.48%	4.90%
09/30/2002	\$61,847	8.58%	4.82%	09/30/2008	\$83,495	8.77%	4.90%
09/30/2003	\$65,145	6.88%	4.82%	09/30/2009	\$82,132	7.93%	4.40%
09/30/2004	\$67,060	6.25%	4.82%	09/30/2010	\$82,485	2.71%	3.83%
09/30/2005	\$68,855	5.73%	4.80%	09/30/2011	\$83,564	3.40%	3.88%



Average benefit being paid to non-disabled retirees is \$6,902.00 per month.  
Average benefit being paid to disabled retirees is \$4,946.33 per month.  
Average benefit being paid to beneficiaries is \$2,180.58 per month.

	<u>Active</u>	<u>Vested</u>	<u>Retired</u>	<u>DROP</u>	<u>Disabled</u>	<u>Beneficiary</u>	<u>Total</u>
<b>1. Number of members as of October 1, 2010</b>	<b>468</b>	<b>13</b>	<b>417</b>	<b>67</b>	<b>59</b>	<b>88</b>	<b>1,112</b>
<b>2. Change in status during the plan year:</b>							
a. Actives who terminated	(4)	4					
b. Actives who retired	(21)		4	17			
c. Inactives who became active							
d. Inactives who retired		(1)	1				
e. DROP to Retiree			18	(18)			
f. Rehires							
g. Dormant							
<b>3. No longer members due to:</b>							
a. Death			(8)		(3)	(5)	(16)
b. Permanent break-in-service							
c. Receipt of lump sum payment	(3)						(3)
d. Expiration of certain period						(3)	(3)
e. Included in error last year							
f. Ineligible		(1)					(1)
<b>4. New member due to:</b>							
a. Initial membership	17						17
b. Death of another member						10	10
c. Dormant							
d. Data Correction							
<b>5. Number of members as of October 1, 2011</b>	<b>457</b>	<b>15</b>	<b>432</b>	<b>66</b>	<b>56</b>	<b>90</b>	<b>1,116</b>



## AGE-SERVICE-SALARY TABLE

TABLE IXd

(All Active Members)

Attained Age	<u>Completed Years of Service</u>										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
<b>Under 25</b>		<b>6</b>									<b>6</b>
Avg.Pay		61,810									61,810
<b>25 to 29</b>	<b>4</b>	<b>29</b>	<b>16</b>								<b>49</b>
Avg.Pay	55,004	64,244	76,774								67,581
<b>30 to 34</b>	<b>1</b>	<b>26</b>	<b>36</b>	<b>8</b>							<b>71</b>
Avg.Pay	55,680	65,211	78,700	94,240							75,187
<b>35 to 39</b>		<b>15</b>	<b>24</b>	<b>37</b>	<b>6</b>						<b>82</b>
Avg.Pay		64,153	77,180	85,654	79,907						78,820
<b>40 to 44</b>	<b>2</b>	<b>8</b>	<b>21</b>	<b>42</b>	<b>33</b>	<b>12</b>					<b>118</b>
Avg.Pay	58,321	61,960	76,087	85,619	90,949	105,857					85,405
<b>45 to 49</b>		<b>5</b>	<b>5</b>	<b>19</b>	<b>28</b>	<b>40</b>	<b>1</b>				<b>98</b>
Avg.Pay		63,097	75,943	84,667	94,389	112,926	108,341				97,675
<b>50 to 54</b>	<b>1</b>		<b>2</b>	<b>8</b>	<b>3</b>	<b>8</b>	<b>2</b>				<b>24</b>
Avg.Pay	57,052		84,936	86,788	88,100	109,417	109,950				95,032
<b>55 to 59</b>				<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>				<b>8</b>
Avg.Pay				76,490	89,079	99,198	93,599				87,453
<b>60 to 64</b>			<b>1</b>								<b>1</b>
Avg.Pay			74,669								74,669
<b>65 &amp; up</b>											
Avg.Pay											
<b>70 &amp; up</b>											
Avg.Pay											
<b>Total</b>	<b>8</b>	<b>89</b>	<b>105</b>	<b>117</b>	<b>72</b>	<b>62</b>	<b>4</b>				<b>457</b>
Avg.Pay	56,174	64,077	77,486	85,911	91,196	110,662	105,460				83,564



**AGE-SERVICE-SALARY TABLE**
**TABLE IXe**
**(Police Officers)**

Attained Age	<u>Completed Years of Service</u>										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
<b>Under 25</b>		<b>3</b>									<b>3</b>
Avg.Pay		55,232									55,232
<b>25 to 29</b>	<b>4</b>	<b>14</b>	<b>7</b>								<b>25</b>
Avg.Pay	55,004	60,004	64,072								60,343
<b>30 to 34</b>	<b>1</b>	<b>13</b>	<b>24</b>	<b>3</b>							<b>41</b>
Avg.Pay	55,680	62,098	73,823	85,999							70,554
<b>35 to 39</b>		<b>10</b>	<b>18</b>	<b>28</b>	<b>6</b>						<b>62</b>
Avg.Pay		62,794	73,954	82,114	79,907						76,415
<b>40 to 44</b>	<b>1</b>	<b>7</b>	<b>16</b>	<b>34</b>	<b>26</b>	<b>9</b>					<b>93</b>
Avg.Pay	61,505	62,111	72,761	81,939	85,275	103,512					81,668
<b>45 to 49</b>		<b>5</b>	<b>4</b>	<b>14</b>	<b>15</b>	<b>22</b>	<b>1</b>				<b>61</b>
Avg.Pay		63,097	72,528	79,153	83,861	106,407	108,341				88,868
<b>50 to 54</b>	<b>1</b>		<b>1</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>2</b>				<b>14</b>
Avg.Pay	57,052		74,669	83,692	78,311	86,444	109,950				84,905
<b>55 to 59</b>				<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>				<b>6</b>
Avg.Pay				76,490	78,311	80,133	93,599				80,252
<b>60 to 64</b>			<b>1</b>								<b>1</b>
Avg.Pay			74,669								74,669
<b>65 to 69</b>											
Avg.Pay											
<b>70 &amp; up</b>											
Avg.Pay											
<b>Total</b>	<b>7</b>	<b>52</b>	<b>71</b>	<b>89</b>	<b>49</b>	<b>34</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>306</b>
Avg.Pay	56,322	61,370	72,606	81,647	83,901	103,694	105,460	0	0	0	78,646

## (Firefighters)

Attained Age	<u>Completed Years of Service</u>										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
<b>Under 25</b>		<b>3</b>									<b>3</b>
Avg.Pay		68,387									68,387
<b>25 to 29</b>		<b>15</b>	<b>9</b>								<b>24</b>
Avg.Pay		68,201	86,654								75,121
<b>30 to 34</b>		<b>13</b>	<b>12</b>	<b>5</b>							<b>30</b>
Avg.Pay		68,323	88,453	99,184							81,519
<b>35 to 39</b>		<b>5</b>	<b>6</b>	<b>9</b>							<b>20</b>
Avg.Pay		66,872	86,857	96,668							86,276
<b>40 to 44</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>8</b>	<b>7</b>	<b>3</b>					<b>25</b>
Avg.Pay	55,137	60,905	86,729	101,259	112,023	112,891					99,304
<b>45 to 49</b>			<b>1</b>	<b>5</b>	<b>13</b>	<b>18</b>					<b>37</b>
Avg.Pay			89,603	100,108	106,537	120,894					112,195
<b>50 to 54</b>			<b>1</b>	<b>1</b>	<b>2</b>	<b>6</b>					<b>10</b>
Avg.Pay			95,203	108,461	92,995	117,074					109,210
<b>55 to 59</b>					<b>1</b>	<b>1</b>					<b>2</b>
Avg.Pay					99,847	118,263					109,055
<b>60 to 64</b>											
Avg.Pay											
<b>65 &amp; up</b>											
Avg.Pay											
<b>70 &amp; up</b>											
Avg.Pay											
<b>Total</b>	<b>1</b>	<b>37</b>	<b>34</b>	<b>28</b>	<b>23</b>	<b>28</b>					<b>151</b>
Avg.Pay	55,137	67,882	87,674	99,464	106,738	119,124					93,531

**INACTIVES BENEFIT DISTRIBUTION TABLE**
**TABLE IXg**
**(Retired Participants)**

Attained Age	<u>Years Retired</u>									Total
	Under 1	1	2 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 & up	
<b>Under 25</b> Avg Ann Ben										
<b>25 to 34</b> Avg Ann Ben										
<b>35 to 44</b> Avg Ann Ben	1 83,319									1 83,319
<b>45 to 49</b> Avg Ann Ben	14 94,985	14 105,935	29 105,733	4 120,185						61 104,260
<b>50 to 54</b> Avg Ann Ben	7 101,610	2 48,308	36 101,971	58 98,007						103 98,672
<b>55 to 59</b> Avg Ann Ben	2 68,634	2 83,986	15 90,537	53 80,023	36 82,364					108 82,126
<b>60 to 64</b> Avg Ann Ben	1 130,359		2 71,099	10 66,606	46 84,156	12 69,681				71 79,521
<b>65 to 69</b> Avg Ann Ben				2 68,408	6 80,787	32 84,184	3 85,896			43 83,096
<b>70 to 74</b> Avg Ann Ben					1 55,314	8 76,983	27 78,129	4 33,429		40 72,859
<b>75 to 79</b> Avg Ann Ben					1 87,901	1 78,078	10 80,878	14 53,909	3 27,376	29 62,469
<b>80 to 84</b> Avg Ann Ben						1 63,073	5 79,794	9 57,423	17 31,543	32 47,346
<b>Over 85</b> Avg Ann Ben								1 83,048	9 25,218	10 31,001
<b>Total</b> Avg.Pay	25 95,680	18 97,093	82 100,457	127 88,262	90 82,936	54 79,390	45 79,443	28 53,153	29 29,149	498 82,824

# INACTIVES BENEFIT DISTRIBUTION TABLE

TABLE IXh

## Disabled Participants

Attained Age	<u>Years Retired</u>									Total
	Under 1	1	2 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 & up	
<b>Under 25</b> Avg Ann Ben										
<b>25 to 34</b> Avg Ann Ben										
<b>35 to 44</b> Avg Ann Ben			1 69,627							1 69,627
<b>45 to 49</b> Avg Ann Ben					2 67,189		1 41,734			3 58,704
<b>50 to 54</b> Avg Ann Ben			4 86,008	3 52,038	3 61,406	1 46,769	2 52,315			13 64,289
<b>55 to 59</b> Avg Ann Ben				2 78,832	5 68,659	3 66,416				10 70,021
<b>60 to 64</b> Avg Ann Ben				2 67,854		4 70,596	1 60,508	2 51,107	1 25,674	10 60,649
<b>65 to 69</b> Avg Ann Ben						2 63,212	1 101,210			3 75,878
<b>70 to 74</b> Avg Ann Ben						1 97,517	3 76,992	1 76,160	1 33,831	6 73,081
<b>75 to 79</b> Avg Ann Ben								2 46,582	6 19,974	8 26,626
<b>80 to 84</b> Avg Ann Ben									2 28,312	2 28,312
<b>Over 85</b> Avg Ann Ben										
<b>Total</b> Avg.Pay			5 82,732	7 64,212	10 66,189	11 68,395	8 67,382	5 54,308	10 23,597	56 59,356



# INACTIVES BENEFIT DISTRIBUTION TABLE

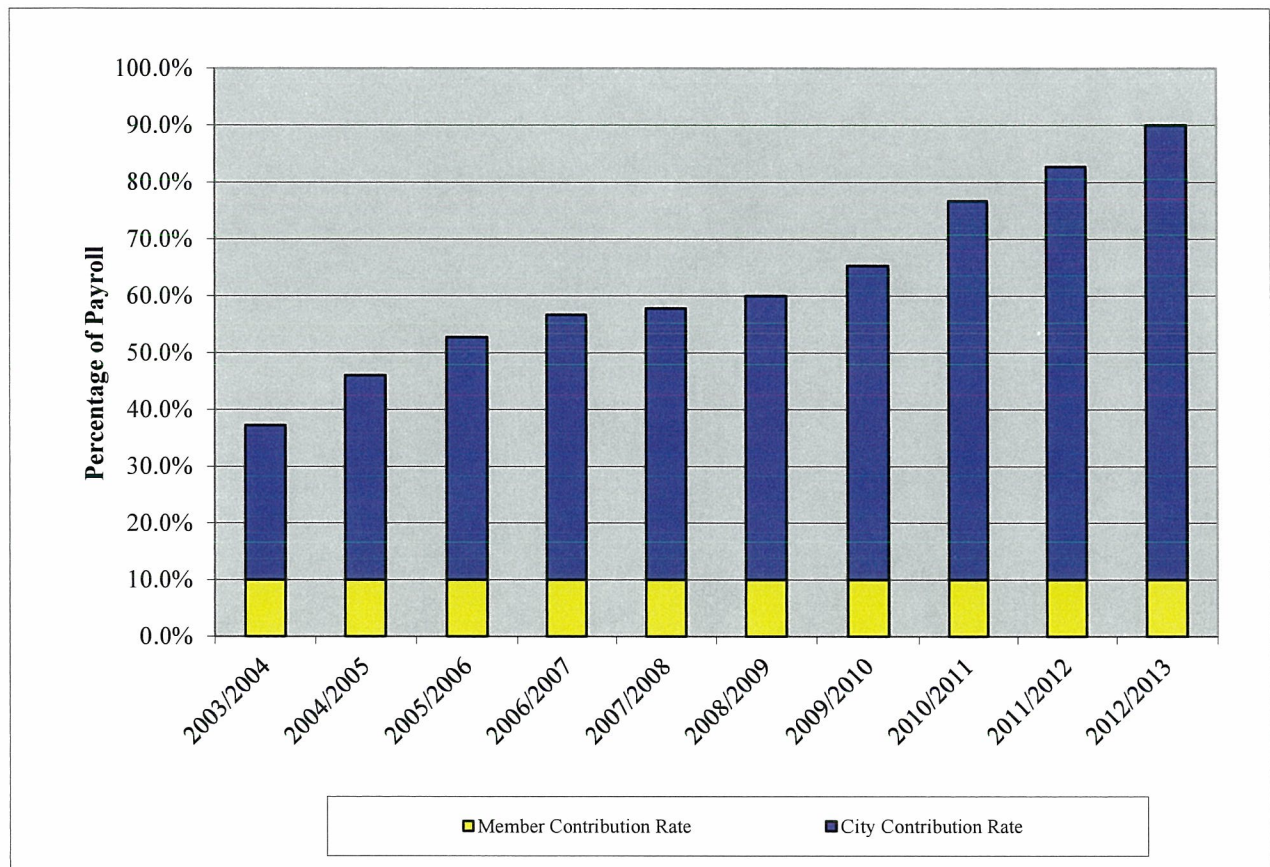
TABLE IXi

## Beneficiaries

Attained Age	<u>Years Retired</u>									Total
	Under 1	1	2 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 & up	
<b>Under 25</b>	<b>1</b>			<b>1</b>						<b>2</b>
Avg Ann Ben	38,367			33,428						35,898
<b>25 to 34</b>										
Avg Ann Ben										
<b>35 to 44</b>			<b>1</b>		<b>2</b>					<b>3</b>
Avg Ann Ben			48,708		30,661					36,677
<b>45 to 49</b>							<b>1</b>			<b>1</b>
Avg Ann Ben							53,615			53,615
<b>50 to 54</b>				<b>1</b>			<b>1</b>			<b>2</b>
Avg Ann Ben				53,957			23,634			38,796
<b>55 to 59</b>			<b>1</b>		<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>8</b>
Avg Ann Ben			39,503		51,478	44,009	18,078	16,168	18,570	36,345
<b>60 to 64</b>						<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>6</b>
Avg Ann Ben						69,943	40,916	7,475	16,158	40,892
<b>65 to 69</b>				<b>1</b>			<b>2</b>	<b>2</b>	<b>7</b>	<b>12</b>
Avg Ann Ben				95,973			48,740	21,915	16,444	29,366
<b>70 to 74</b>						<b>3</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>13</b>
Avg Ann Ben						68,741	30,269	17,316	14,769	33,382
<b>75 to 79</b>							<b>2</b>	<b>2</b>	<b>11</b>	<b>15</b>
Avg Ann Ben							55,192	12,273	14,465	19,603
<b>80 to 84</b>								<b>1</b>	<b>12</b>	<b>13</b>
Avg Ann Ben								31,578	15,170	16,432
<b>Over 85</b>									<b>15</b>	<b>15</b>
Avg Ann Ben									14,124	14,124
<b>Total</b>	<b>1</b>		<b>2</b>	<b>3</b>	<b>5</b>	<b>6</b>	<b>14</b>	<b>8</b>	<b>51</b>	<b>90</b>
Avg.Pay	38,367		44,106	61,119	43,151	65,020	38,312	17,614	14,940	26,167

**INACTIVES BENEFIT DISTRIBUTION TABLE****TABLE IXj****(Non-Active, Non-Retired)**

<b>Attained Age</b>	<b>Count</b>	<b>Total Annual Benefits</b>	<b>Accumulated Contributions with Interest</b>
<b>Under 25</b>			
<b>25 to 34</b>	<b>3</b>		<b>72,209</b>
<b>35 to 44</b>	<b>6</b>	<b>119,619</b>	<b>71,058</b>
<b>45 to 49</b>	<b>6</b>	<b>95,446</b>	<b>25,941</b>
<b>50 to 54</b>			
<b>55 to 60</b>			
<b>Over 60</b>			
<b>Total</b>	<b>15</b>	<b>215,065</b>	<b>169,208</b>



Fiscal Year	Member Contribution Percentage	Expected City Contribution Percentage	Fiscal Year	Member Contribution Percentage	Expected City Contribution Percentage
2003/2004	10.00%	27.27%	2008/2009	10.00%	50.02%
2004/2005	10.00%	36.03%	2009/2010	10.00%	55.32%
2005/2006	10.00%	42.75%	2010/2011	10.00%	66.66%
2006/2007	10.00%	46.71%	2011/2012	10.00%	72.76%
2007/2008	10.00%	47.82%	2012/2013	10.00%	80.04%

**ACTUARIAL ASSUMPTIONS****TABLE XI****1. Actuarial Cost Method**

- Entry Age Normal Cost Method

**2. Decrements**

- **Pre-Retirement Mortality**

RP-2000 Combined Mortality Table with a blue collar adjustment projected 15 years from valuation date.

- **Post-Retirement Healthy Mortality**

RP-2000 Combined Mortality Table with a blue collar adjustment projected 7 years from valuation date.

- **Post-Retirement Disabled Mortality**

RP-2000 Disabled Mortality Table

- **Disability**

Representative values of the assumed annual rates of disability among members in active service are as follows:

Age	Ordinary Disability Rate	Accidental Disability Rate	Age	Ordinary Disability Rate	Accidental Disability Rate
20	.0004	.0003	45	.0032	.0026
25	.0006	.0005	50	.0055	.0044
30	.0009	.0007	55	.0079	.0063
35	.0012	.0010	60	.0110	.0090
40	.0018	.0014	64	.0143	.0126

- **Permanent Withdrawal from Active Status**

Representative values of the assumed annual rates of withdrawal among members in active service are as follows:

Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	0.50%	30	1.25%	40	0.75%	45	0.25%
25	1.00%	35	1.50%				



**ACTUARIAL ASSUMPTIONS****TABLE XI**

- **Retirement**

All members are assumed to retire at age 50 with 26.25 years of service, but not later than age 65. Members under age 50 meeting the Rule of 70 are assumed to retire at the rate of 40% per year. Otherwise, retirement is assumed to occur in accordance with the following rates:

<b>Service</b>	<b>Meeting Rule of 70</b>	<b>Not Meeting Rule of 70</b>
<b>Less than 20</b>	<b>20%</b>	<b>2%</b>
<b>20</b>	<b>30%</b>	<b>5%</b>
<b>21</b>	<b>50%</b>	<b>10%</b>
<b>22</b>	<b>30%</b>	<b>10%</b>
<b>23</b>	<b>30%</b>	<b>20%</b>
<b>24</b>	<b>45%</b>	<b>60%</b>
<b>25</b>	<b>65%</b>	<b>60%</b>
<b>26</b>	<b>100%</b>	<b>100%</b>
<b>More than 26</b>	<b>100%</b>	<b>100%</b>

**3. Interest Rates**

- **Used for Calculating All Liabilities (including GASB 25/27 liabilities)**

8.10% per annum. This interest rate is assumed to be net of investment expenses and commissions

**4. Salary Increases**

Representative values of the assumed annual rates of future salary increase are as follows:

***Plan Year 2009***

<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>
<b>20</b>	<b>3.70%</b>	<b>35</b>	<b>3.70%</b>	<b>50</b>	<b>2.70%</b>	<b>60</b>	<b>1.70%</b>
<b>25</b>	<b>7.70%</b>	<b>40</b>	<b>2.70%</b>	<b>55</b>	<b>2.70%</b>	<b>65</b>	<b>0.70%</b>
<b>30</b>	<b>6.70%</b>	<b>45</b>	<b>2.70%</b>				

***All subsequent Plan Years***

<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>	<b>Age</b>	<b>Rate</b>
<b>20</b>	<b>5.87%</b>	<b>35</b>	<b>5.87%</b>	<b>50</b>	<b>4.87%</b>	<b>60</b>	<b>3.87%</b>
<b>25</b>	<b>9.87%</b>	<b>40</b>	<b>4.87%</b>	<b>55</b>	<b>4.87%</b>	<b>65</b>	<b>2.87%</b>
<b>30</b>	<b>8.87%</b>	<b>45</b>	<b>4.87%</b>				

Average assumed salary increase rate is 3.83% through March 31, 2012 and 6.00% thereafter.

**5. Loadings for Contingencies**

- **Compensation**

Salary rates have been increased by 18.00% to load for overtime and other pays.

- **Pre-Employment Service**

A City contribution of 6.00% of loaded compensation is assumed sufficient to provide for the purchase (or “buyback”) of pre-employment service by the membership.

**6. Loading for Projected Pensionable Payroll**

The Projected Base Pay is loaded by 20.00% to estimate the projected pensionable payroll used to determine the expected member contributions.

**7. Marriage Assumptions**

- **Percent Married**

77% of members are assumed married or entitled to benefits for dependents, including registered domestic partners.

- **Age Difference Between Spouses**

Male spouses are assumed to be three years older than female spouses.

**8. Expenses**

Anticipated administrative expenses, *exclusive* of investment expenses and commissions, are assumed to be funded through future City normal contributions. In addition, the interest rate set forth in item 3 above is assumed to be net of investment expenses and commissions.

**9. Assets**

Actuarial value of assets is equal to the market value of assets adjusted to reflect a five-year phase-in of the net investment gain or loss. At October 1, 2005, the “fresh start method” using the current market value of assets and starting a new five year phase-in of realized and unrealized gains and losses was implemented, recognizing one year of asset performance in the actuarial value of assets.

**10. Aggregate Compensation**

The aggregate compensation used to compute the accrued liability contribution rate was assumed to increase at a rate of 3.50% per year.

**11. DROP Assumption**

It is assumed that upon retirement 80% of all active participants will participate in the DROP.

The following assumptions have been changed during the past few years:

1. Effective October 1, 2002:

The actuarial cost method was changed from frozen initial liability to entry age.

2. Effective October 1, 2002:

The amortization of the unfunded accrued liability was changed from level dollar to level percentage of pay, with aggregate payroll assumed to increase at 3.50% per year

3. Effective October 1, 2005:

The “fresh start” method was applied to the actuarial value of assets to begin a new five-year phase-in of realized and unrealized gains and losses.

The retirement rates were increased to reflect retirement experience for participants meeting the age 50 and “Rule of 70” eligibility criteria.

The loadings for contingencies and pre-employment service were increased from 5.00% to 7.00% and from 4.50% to 5.50% respectively.

4. Effective October 1, 2006:

The actuarial valuation system used by Buck Consultants was upgraded effective October 1, 2006. The gain resulting from this upgrade was amortized over 30 years.

5. Effective October 1, 2008:

The interest rate used to calculate all liabilities was reduced to 8.40% from 8.50%.

The salary scale used to project future pay increases was reduced by 50 basis points at each age to reflect the current and projected economic climate.

The loadings for contingencies were increased by 100 basis points (50 basis points for salary rates and 50 basis points for buybacks).

The retirement assumption was updated to reflect an increase in the level of retirements starting at age 45.



**6. Effective October 1, 2009:**

The interest rate used to calculate all liabilities was reduced from 8.40% to 8.30%.

The mortality rates were changed from the 1983 Group Annuity Mortality Table to the RP-2000 Combined Mortality Table with a blue collar adjustment for healthy lives and the RP2000 Disabled Mortality Table for disabled participants.

An experience study was performed on the plan over the 5 year period October 1, 2003 through October 1, 2008 and the following assumptions were changed to more accurately reflect the plans experience:

- Retirement Rates: The retirement assumption was changed to reflect the results of the experience study.
- Withdrawal Rates: The withdrawal assumption was changed to reflect the results of the experience study.
- Salary Increase Rates: The salary increase assumption was changed to an average increase 3.83% for plan year 2009 to reflect the freeze on COLA for the plan year and to an average increase on 6.00% for all subsequent plan years.
- Load for Overtime and Other Pays: The load for overtime and other pays was changed from 7.50% to 16.00% to reflect the results of the experience study.

A load of 20% was added to the projected base payroll to estimate the projected pensionable payroll used to determine the expected member contributions..

**7. Effective October 1, 2010:**

The interest rate used to calculate all liabilities was reduced from 8.30% to 8.20%.

The freeze on the cost of living increase component of the salary scale was extended to March 31, 2012.



8. Effective October 1, 2011:

The interest rate used to calculate all liabilities was reduced from 8.20% to 8.10%.

The mortality tables for healthy pre and post retirement participants was projected 15 and 7 years respectively from the valuation date to reflect mortality improvements.

The contingency compensation load for overtime and other pays was increased from 16% to 18% to account for the expected increase in pensionable pay due to the inclusion of off duty pay in the computation of pensionable pay.

**1. Monthly Accrued Benefit**

3% of average monthly salary multiplied by service up to 15 years (20 years for participants hired after July 14, 2010), plus 4% of average monthly salary multiplied by service in excess of 15 years (20 years for participants hired after July 14, 2010), to a maximum monthly benefit of 90% of average monthly salary. If the member was employed prior to July 1, 1976, the benefit can be no less than that provided by the prior Base Plan assuming its provisions continue after its merger with the prior Supplemental Plan ("grandfathered Base Plan benefit").

Average monthly salary is based upon the highest 2 years of compensation (3 years for participants hired after July 14, 2010). Off-duty pay and a limited portion of overtime pay is included in the average monthly salary except when calculating the grandfathered Base Plan benefit referred to above.

**2. Service Retirement Age and Benefit**

- **Age**

Age 50 or, if earlier, the date when age plus service equals 70 (Rule of 70). Participants hired after July 14, 2010 must also attain age 48 to meet the rule of 70 criteria. Retiring members may also be eligible to enter the DROP (Deferred Retirement Option Plan).

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

For members except those retiring prior to November 5, 2003, the normal form of payment is a 75% joint and survivor annuity with a specified beneficiary as provided under the plan. The specified beneficiary will receive a survivor annuity equal to 100% of the total benefit for one year and thereafter the greater of 75% of the total benefit or 25% of the average monthly salary for the two highest paid years. The survivor annuity includes 120 guaranteed monthly payments unless the marriage or domestic partnership was in effect for a period of less than 10 years.

The members may also elect the actuarial equivalent of the 10 year certain and life annuity, with a designated beneficiary, any of the following optional forms of payment:

- 75% joint and contingent survivor annuity
- 66 2/3% joint and contingent annuity with a designated beneficiary
- 50% joint and contingent annuity with a designated beneficiary
- 25% joint and contingent annuity with a designated beneficiary
- 10 year certain and life annuity with a designated beneficiary

Members who retired prior to November 5, 2003 were subject to different normal and optional forms of payment.

**3. Disability Retirement Age and Benefit**

- **Condition**

For a service connected disability benefit, the member must become totally and permanently disabled in the line of duty;

For a non-service connected disability benefit, the member must otherwise become totally and permanently disabled and have at least five years of service.

- **Amount**

For a service connected disability benefit: Monthly Accrued Benefit, with a minimum benefit of 85% of compensation.

For a non-service connected disability benefit: Monthly Accrued Benefit.

**4. Withdrawal Retirement Age and Benefit**

- **Age**

Any age prior to 50 with at least 10 years of service;

- **Amount**

Monthly Accrued Benefit (payable if participant survives to Service Retirement Age);

- **Form of Payment**

For members except those retiring prior to November 5, 2003, the normal form of payment is a 75% joint and survivor annuity with a specified beneficiary as provided under the plan. The specified beneficiary will receive a survivor annuity equal to 100% of the total benefit for one year and thereafter the greater of 75% of the total benefit or 25% of the average monthly salary for the two highest paid years. The survivor annuity includes 120 guaranteed monthly payments unless the marriage or domestic partnership was in effect for a period of less than 10 years.

The members may also elect the actuarial equivalent of the 10 year certain and life annuity, with a designated beneficiary, any of the following optional forms of payment:

- 75% joint and contingent survivor annuity
- 66 2/3% joint and contingent annuity with a designated beneficiary
- 50% joint and contingent annuity with a designated beneficiary
- 25% joint and contingent annuity with a designated beneficiary
- 10 year certain and life annuity with a designated beneficiary

Members who retired prior to November 5, 2003 were subject to different normal and optional forms of payment.



**5. Death Benefits**

- **Service connected death benefit**

Greater of Monthly Accrued Benefit and 85% of compensation payable as a monthly benefit to the widow until death, to unmarried children in equal shares until age 18 (until age 22 if a full-time student or until recovery from disability if disabled), or to dependent parents in equal shares.

- **Non-service connected death benefit**

For members with at least five years of service, Monthly Accrued Benefit is payable for the first 12 months after death and 75% of the Monthly Accrued Benefit is payable thereafter (with a minimum benefit of 25% of average monthly salary); benefits are payable to the widow until death or remarriage, to unmarried children in equal shares until age 18 (until age 22 if a full-time student or until recovery from disability or until marriage if disabled), or to dependent parents in equal shares. However, if the member has been married for less than ten years, benefits are payable to the spouse only for the life expectancy of the deceased member at time of death.

**6. Employee Contributions**

10% of salary per year (on a pre-tax basis);

If contributions are refunded to the member or to his beneficiaries, then interest is credited at the rate of 3% per annum.

**7. Pre-Employment Service**

Effective October 1, 2010 members with at least 10 years of service may purchase up to four total years of additional service credit at the 3% accrual rate for time spent on active military duty and/or up to two total years of additional service credit at the 3% accrual rate for time spent on other full-time public safety service for which no other benefit is payable. Such member may also purchase an increase in benefit of 3% or 6% without purchasing service. The total of all combinations of pre-employment benefit purchased cannot exceed a 12% increase in accrual.

Pre-employment benefit service must be purchased within 36 months following September 30, 2010, or within 36 months following a member's completion of 10 years of creditable pension service under the pension plan, whichever occurs later for the member



**8. Cost-of-Living Adjustment**

Effective October 1, 2010, benefits are increased by 2.5% per year (1.5% per year for participants hired after July 14, 2010), compounded annually, on the anniversary date of each member's retirement. Members whose grandfathered Base Plan benefit is greater than the benefit otherwise provided by this plan will receive the applicable cost-of-living adjustment on that basis (2% a year beginning the October three years after retirement) until such time as the benefit from this plan with 2.5% cost-of-living exceeds that comparable grandfathered Base Plan benefit.

**9. Deferred Retirement Option Program (DROP)**

Police Officers and Firefighters are eligible to participate in a Deferred Retirement Option Program (DROP) upon meeting any one of the following criteria:

- the attainment of age 50 or
- the sum of the member's age and creditable service equal to at least 70

**Operation of the DROP**

- The member's monthly retirement benefit, based on final average earnings and service, will be calculated as of the date prior to them entering the DROP.
- The member's monthly pension will be deposited into the selected investment vehicles.
- The member will cease to accrue additional pension benefits (with the exception of the COLA under the pension plan).
- The member will no longer be eligible for Disability or Service Connected Death benefits from the Pension Plan.
- Member contributions to the Pension Plan will cease upon entering the DROP.
- Upon entering the DROP, the member will select the length of the DROP period. The maximum period of participation in the DROP is 36 months and 60 months for members who enter the DROP after September 1, 2012. Notwithstanding, participation may not continue beyond the date when the member's combined years of creditable service and time in the DROP equals 376 months (390 months for members hired after July 14, 2010).
- The member will not have access or be able to borrow against any of the funds accumulated in their DROP account.
- The member may sever his/her employment with the City at any time during the DROP period. Such separation will terminate their participation in the DROP.
- No payment will be made from the DROP account until the member severs their employment with the City
- Following severance of employment, the funds in the DROP will be paid under the options the member selected. The member will also start receiving their monthly pension which was previously being deposited in the DROP.
- A 2.5% COLA paid annually on the anniversary date of the member's retirement. For members who enter the DROP after September 1, 2012 there will be "0%" cost of living adjustment for the third and fourth annual anniversary date,

regardless of whether the member remains in the DROP for the maximum 5 year period. Any member who exits the DROP within 6 months following the date of DROP entry, shall be eligible for the 2.5% COLA annually on the anniversary date of the member's retirement.

**10. Pensionable Pay**

- Off-Duty pay is included in the computation of pensionable pay.
- Overtime included in pension computation for police officers
  - Limited in each year to an amount that is equal to 70% of the difference between the member's annualized pay rate at retirement and the highest annualized pay rate for the next higher salary rank. Overtime, off-duty and unused sick and/or vacation leave time can be used to reach the 70% limit. For police officers who are eligible for overtime pay and who retire on or after September 30, 2010, the value of the sick and/or vacation leave included in the overtime limit shall be reduced from the member's leave bank with an additional cost of 10% of the value of the leave hours used to reach the overtime limit
- Overtime included in pension computation for firefighters
  - Limited in each year to an amount that is equal to 11% of highest annualized pay rate for the same salary rank that the member is in at time of retirement. For firefighters who are eligible for overtime pay and who retire on or after September 30, 2010, overtime, off-duty and unused sick and/or vacation leave time can be used to reach the 11% limit.

The following amendments have been made:

1. Effective September 30, 2000, members of the post-May 18, 1993 plan were merged into the pre-May 19, 1993 benefit schedule.
2. Effective November 6, 2001, domestic partners of members registered with the City of Miami Beach are entitled to survivor benefits under the Fund.
3. Effective November 6, 2001, members with at least 20 years of service and eligible to retire may purchase certain prior public safety service or purchase an increased benefit. Total accrual from purchase of service, including military time, cannot exceed 12%.
4. Effective November 5, 2003, the normal form will include 120 guaranteed monthly payments.
5. Effective October 1, 2010 the following changes were made to the ordinance:
  - a. Service buybacks
    - i. Members with ten or more years of service are allowed to purchase up to four years of pre-employment military service, up to two years pre-employment public safety service, or either 3% or 6% additional benefit multiplier. The buybacks must be purchased with thirty six months following September 30, 2010 or thirty six months after the attainment of 10 years of creditable service. The total accrual of pre-employment military time, prior public safety time and multiplier can exceed 12%.
  - b. Pensionable pay
    - i. Off-Duty Pay is included in the computation of pensionable pay.
    - ii. Overtime included in pension computation for police officers limited in each year to an amount that is equal to 70% of the difference between the member's annualized pay rate at retirement and the highest annualized pay rate for the next higher salary rank.
    - iii. Overtime included in pension computation for firefighters limited in each year to an amount that is equal to 11% of highest annualized pay rate for the same salary rank that the member is in at time of retirement.
  - c. COLA anniversary
    - i. A 2.5% COLA paid annually on the anniversary date of the member's retirement.
  - d. DROP provisions for members who enter the DROP on or after September 1, 2012
    - i. Maximum DROP period of 60 months
    - ii. A 2.5% COLA paid annually on the anniversary date of the member's retirement, except with "0%" cost of living adjustment for the third and fourth annual anniversary date, regardless of whether the member remains in the DROP for the maximum 5 year period. Any member who exits the



DROP within 6 months following the date of DROP entry, shall be eligible for the 2.5% COLA annually on the anniversary date of the member's retirement.

- e. New Hires on or after September 1, 2012
  - i. 3% for each year of service up to 20 years and 4% for each year of service after 20 years to a maximum of 90%
  - ii. The sum of the member's age and creditable service equals at least 70, except that a member must attain age 48 to be eligible for the Rule of 70 retirement.
  - iii. Final average salary shall be based on the three (3) highest paid years or last three (3) years as the case may be, prior to retirement or separation from employment.
  - iv. Cost of living adjustment (COLA) will be 1.5% annually.